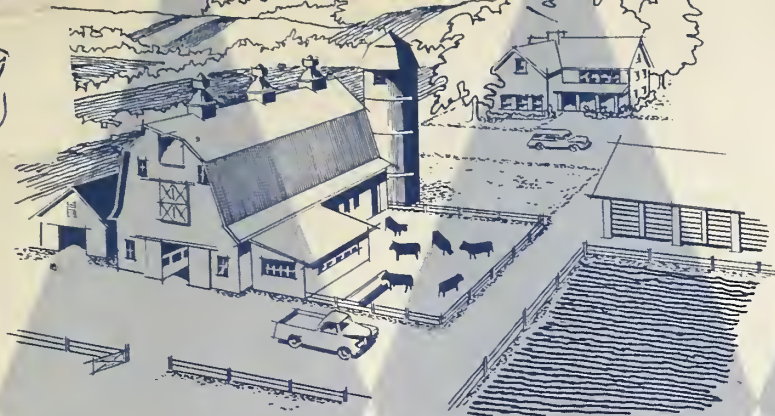


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MOVING AGRICULTURAL ABUNDANCE into CONSUMPTION //

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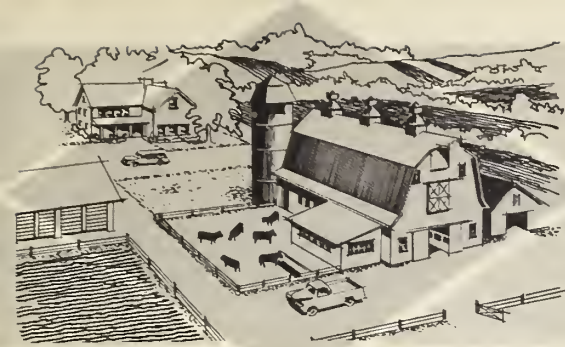
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MOVING AGRICULTURAL ABUNDANCE INTO CONSUMPTION

FOREWORD

The technological revolution in United States agriculture continues to expand an already bountiful production while at the same time fewer acres are being farmed. One man-hour of work in agriculture today produces double what it did in 1950. The output per worker in nonagricultural industries has increased 2.9 percent annually during the last 10 years, whereas the output per worker in agriculture increased 6.2 percent each year. As Secretary Freeman has said, "This outstanding productive success of American Agriculture confounds our enemies and is the source of envy and emulation in most of the nations of the world. It has brought great reward to the economy of the nation, to the American consumer, and to hungry people throughout the world."

This booklet shows in graphic form how the Commodity Credit Corporation is moving agricultural commodities acquired under the price support program into consumption channels both at home and abroad. Between June 30, 1955, and June 30, 1961, nearly \$21 billion worth of commodities were moved from CCC inventories through various sales and disposition programs. Results of these programs are highlighted in subsequent pages.

In spite of all efforts, CCC's total price support investment was \$8.3 billion as of June 30, 1961. The bulk of this, \$6.8 billion, represented commodities in CCC inventory and the balance, \$1.5 billion, covered the total value of commodities pledged for loans.

CCC is increasing its emphasis on sales for dollars. Of the \$21 billion worth of commodities (cost value) moved out of inventory during the period June 30, 1955 through June 30, 1961, dollar sales accounted for approximately \$10.8 billion or nearly 52 percent. The balance represents the value of commodities moved through other important programs such as sales for foreign cur-

rencies, barter, transfers to other government agencies, donations, and payment-in-kind (PIK) redemptions.

The value of total U. S. agricultural exports for fiscal year 1961 was nearly \$5 billion, an alltime high. Greatest gains were made for wheat, flour, fruits, fats and oils, and meat products. During the period 1955-56 through 1960-61 (fiscal years) total U. S. agricultural exports amounted to \$25 billion, of which 66 percent were sales for dollars. Sales under the CCC Credit Program during 1961 were more than four times above the previous year's level. Registrations (crop year) for dollar exports of rice totaled 15,752,385 cwt. as of March 28, 1961 compared with 6,785,369 cwt. on March 29, 1960. This increase was accomplished in spite of the loss of a dollar market in Cuba. Recently a new "tool" has been added to the kit of agricultural sales and disposal programs. It is Title IV, P. L. 480 which is explained on pages 17 and 18. The development of more effective export programs is important because, although most nations are trying to increase agricultural production, the U. S. faces strong competition in foreign markets from a few countries which also have surpluses of the same agricultural commodities.

Until May 12, 1958, CCC sold the bulk of its commodities for export on competitive bid. Since that time, CCC has developed payment-in-kind programs for corn, (May 12, 1958), barley, oats, grain sorghums, and rye, (July 1, 1958), rice, (December 15, 1958), cotton (May 29, 1959), and nonfat dry milk, (March 6, 1962). The payment-in-kind program for wheat has been in effect since September 4, 1956. These programs are designed to encourage exports from commercial supplies instead of from CCC inventories, thus placing the merchandising functions in the hands of the pri-

vate trade. Certificates at the applicable subsidy rates redeemable in commodities from CCC stocks are issued to U. S. exporters upon proof of export of commodities obtained from private stocks. Exporters thus move commodities from the farm into export through commercial trade channels, rather than through the Commodity Credit Corporation. The cotton PIK program works somewhat differently and is explained on page 33.

Subsidy rates determined by the Office of the General Sales Manager, FAS, reflect the amounts necessary to make U. S. PIK commodities competitive in foreign markets with crops produced in other countries. The rates are kept under constant review so as not to exceed the gap between higher domestic prices and lower prices of the crops of competing nations in foreign markets. Since under the PIK programs CCC no longer sells PIK commodities for export from its inventories except for credit, barter, and unusual circumstances as specifically authorized, CCC sales of these commodities for export have been markedly reduced. This was expected, and the shift from CCC export sales to PIK programs is viewed as largely off-setting since the PIK programs reduce CCC acquisitions from the larger amounts CCC would have acquired if the programs had not been inaugurated. See page 21 for a diagrammatic sketch explaining how feed grains are moved into consumption under PIK programs.

How U. S. price support commodities are being channeled into consumption and some of the effects of CCC sales and disposi-

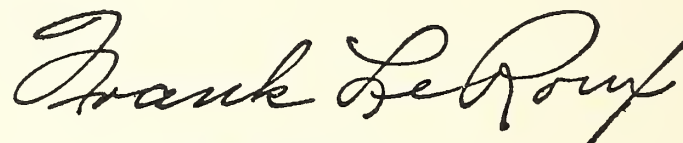
tion programs, particularly with regard to CCC inventories, are shown in the following sections of the booklet.

Section I deals with CCC's price support inventory position from June 30, 1955 through June 30, 1961 in relation to total U. S. production by crop year.

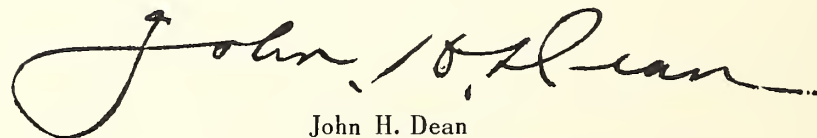
Section II illustrates sales and dispositions of CCC commodities by program.

Section III explains the payment-in-kind program for cotton, the relationships between PIK certificates earned, issued, and redeemed, and shows how subsidy rates equalize price relationships between domestic and foreign markets thus promoting fair competition in export markets.

Section IV deals with commodities which are still sold for export on competitive bid. Some examples are nonfat dry milk, butter and cheese.



Frank LeRoux
General Sales Manager



John H. Dean
Deputy General Sales Manager

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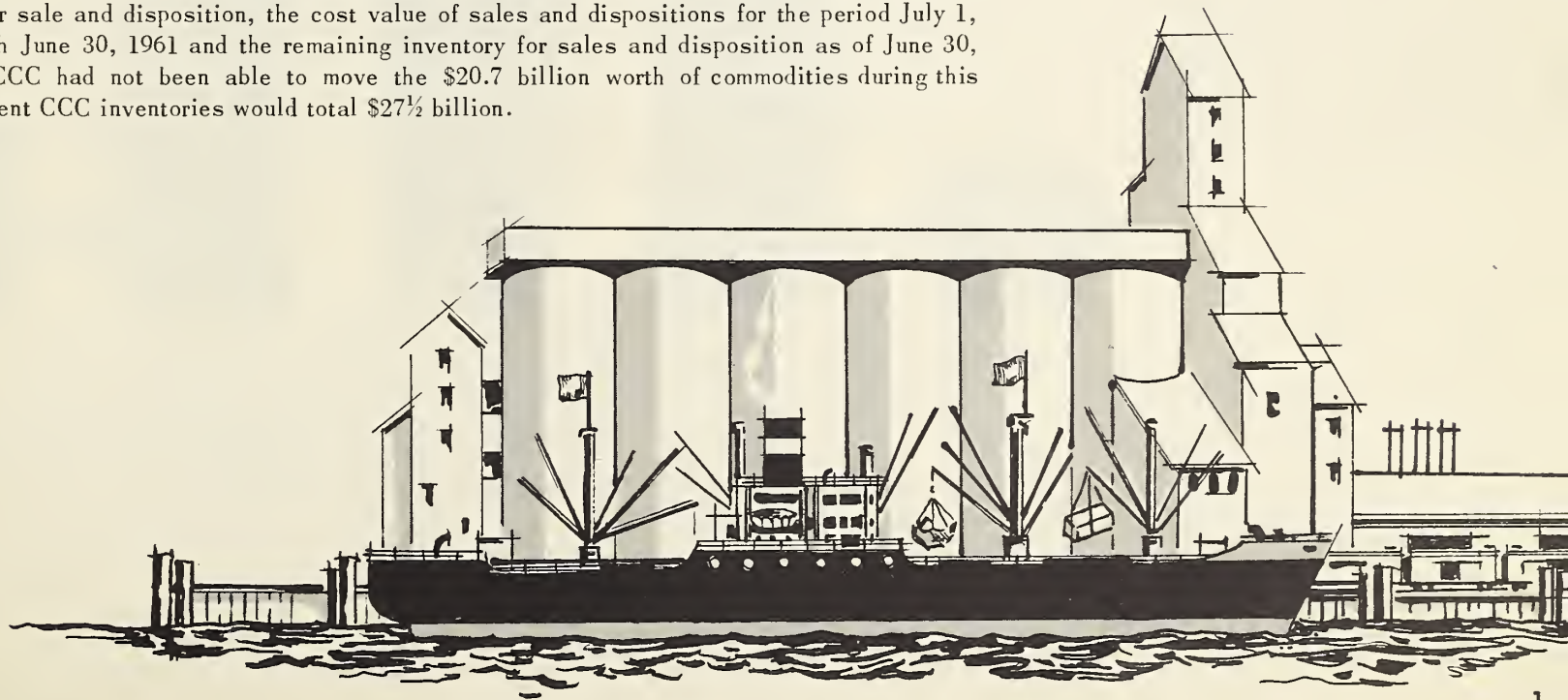
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PRICE SUPPORT INVENTORY POSITION

SECTION

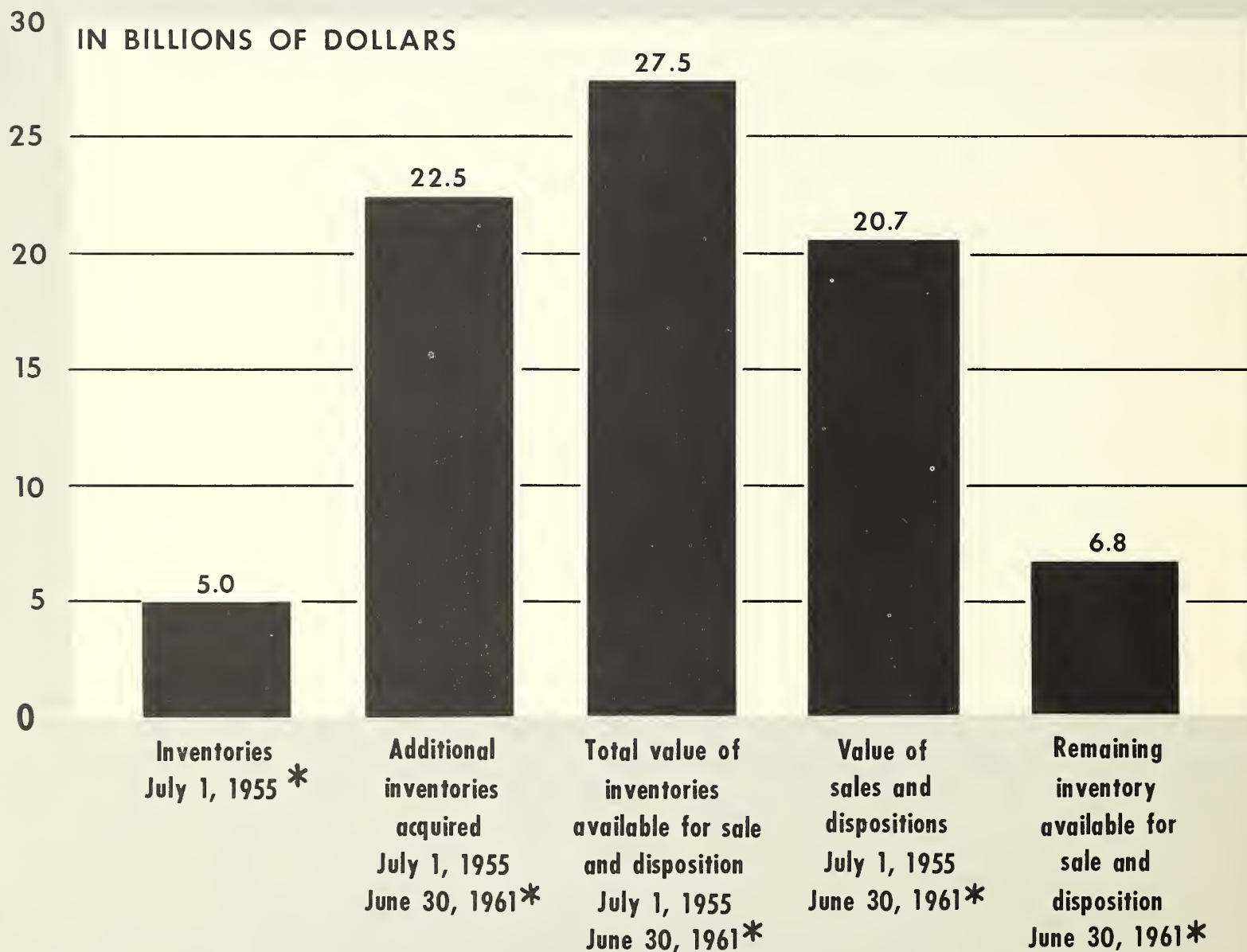
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This section relates to CCC inventories, acquisitions, sales and dispositions in total and for individual commodities. Also the annual U. S. production of CCC commodities is shown. The chart on Page 2 shows the total cost value of commodities in CCC inventory as of July 1, 1955. This chart also shows the additional inventories acquired, the total cost value of inventories available for sale and disposition, the cost value of sales and dispositions for the period July 1, 1955 through June 30, 1961 and the remaining inventory for sales and disposition as of June 30, 1961. If CCC had not been able to move the \$20.7 billion worth of commodities during this period, present CCC inventories would total \$27½ billion.



CCC INVENTORIES, ACQUISITIONS, SALES AND DISPOSITIONS, ALL COMMODITIES (Cost Value)*

July 1, 1955 - June 30, 1961



*Includes carrying charges and value of exchange commodities

**Selected Price Support Commodities,
U.S. Production, CCC Inventories,
Acquisitions, Sales and Dispositions,
and Remaining Inventories of CCC
Commodities by Marketing**

Years 1955 - 1961

WHEAT (1,000 BU.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1-6/30	SALES & DISPOSITIONS 7/1-6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1955-56	937,094	975,948	260,812	286,037	950,723
1956-57	1,005,397	950,723	147,651	274,428	823,946
1957-58	955,740	823,946	155,777	144,802	834,921
1958-59	1,457,435	834,921	463,399	151,744	1,146,576
1959-60	1,121,118	1,146,576	193,885	145,092	1,195,369
1960-61	1,357,272	1,195,369	257,877	210,728	1,242,518

***CORN (1,000 BU.)**

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 10/1	ACQUISITIONS 10/1-9/30	SALES & DISPOSITIONS 10/1-9/30	REMAINING INV. 9/30
1	2	3	4	5	6
1955-56	2,872,959	621,462	272,024	145,023	748,463
1956-57	3,075,336	748,463	412,956	288,095	873,324
1957-58	3,045,355	873,324	421,225	217,419	1,077,130
1958-59	3,356,205	1,077,130	333,961	226,754	1,184,337
1959-60	3,824,598	1,184,337	273,844	145,419	1,312,762
1960-61	3,908,070	1,312,762	368,869	310,628	1,371,003

GRAIN SORGHUMS (1,000 CWT.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 10/1	ACQUISITIONS 10/1-9/30	SALES & DISPOSITIONS 10/1-9/30	REMAINING INV. 9/30
1	2	3	4	5	6
1955-56	135,877	38,106	51,909	47,333	42,682
1956-57	114,733	42,682	18,195	18,842	42,035
1957-58	317,803	42,035	154,535	31,457	165,113
1958-59	325,367	165,113	138,227	28,613	274,727
1959-60	310,918	274,727	54,542	14,779	314,490
1960-61	347,125	314,490	95,489	32,852	377,127

BARLEY (1,000 BU.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1-6/30	SALES & DISPOSITIONS 7/1-6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1955-56	403,065	73,530	83,428	96,260	60,698
1956-57	376,661	60,698	60,758	53,190	68,266
1957-58	442,761	68,266	108,698	91,451	85,513
1958-59	477,368	85,513	49,353	35,523	99,343
1959-60	422,383	99,343	30,705	58,997	71,051
1960-61	431,309	71,051	17,650	34,932	53,769

ROUGH RICE (1,000 CWT.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 8/1	ACQUISITIONS 8/1-7/31	SALES & DISPOSITIONS 8/1-7/31	REMAINING INV. 7/31
1	2	3	4	5	6
1955-56	55,902	2,115	25,997	16,665	11,447
1956-57	49,459	11,447	17,163	18,765	9,845
1957-58	42,935	9,845	11,030	14,380	6,495
1958-59	44,760	6,495	6,551	8,796	4,250
1959-60	53,647	4,250	7,064	6,823	4,491
1960-61	54,591	4,491	4,864	5,411	3,944

*Grain only.

OATS (1,000 BU.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1-6/30	SALES & DISPOSITIONS 7/1-6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1955-56	1,495,978	40,469	49,077	32,473	57,073
1956-57	1,151,398	57,073	19,528	49,203	27,398
1957-58	1,289,880	27,398	31,292	28,750	29,940
1958-59	1,401,410	29,940	30,822	13,924	46,838
1959-60	1,052,059	46,838	14,345	46,087	15,096
1960-61	1,155,312	15,096	1,891	6,629	10,358

DRIED MILK (1,000 LBS.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1-3/31	SALES & DISPOSITIONS 4/1-3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1955-56	1,419,700	225,005	581,599	664,683	141,921
1956-57	1,512,000	141,921	750,396	761,939	130,378
1957-58	1,655,400	130,378	810,841	794,418	146,801
1958-59	1,712,700	146,801	719,162	746,331	119,632
1959-60	1,768,900	119,632	812,379	758,188	173,823
1960-61	1,816,600	173,823	775,845	685,103	264,565

RYE (1,000 BU.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1-6/30	SALES & DISPOSITIONS 7/1-6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1955-56	29,089	6,454	14,642	9,735	11,361
1956-57	21,288	11,361	3,303	10,818	3,846
1957-58	28,516	3,846	7,462	5,217	6,091
1958-59	33,182	6,091	6,099	5,590	6,600
1959-60	23,076	6,600	3,267	4,549	5,318
1960-61	33,052	5,318	1,772	2,767	4,323

BUTTER (1,000 LBS.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1-3/31	SALES & DISPOSITIONS 4/1-3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1955-56	1,407,700	350,472	77,183	326,603	101,052
1956-57	1,405,500	101,052	133,674	207,317	27,409
1957-58	1,423,800	27,409	197,184	142,434	82,159
1958-59	1,376,200	82,159	168,244	208,600	41,803
1959-60	1,354,700	41,803	134,630	132,184	44,249
1960-61	1,377,100	44,249	152,995	125,014	72,230

***COTTON, UPLAND (1,000 BALES)**

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY 8/1	ACQUISITIONS 8/1-7/31	SALES & DISPOSITIONS 8/1-7/31	REMAINING INV. 7/31
1	2	3	4	5	6
1955-56	14,721	1,661	6,286	1,995	5,952
1956-57	13,310	5,952	6,025	7,148	4,829
1957-58	10,964	4,829	3,676	7,568	937
1958-59	11,512	937	2,420	2,372	985
1959-60	14,558	985	14,647	10,665	4,967
1960-61	14,272	4,967	7,789	11,078	1,678

CHEESE (1,000 LBS.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1-3/31	SALES & DISPOSITIONS 4/1-3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1955-56	1,003,700	407,097	150,746	262,939	294,904
1956-57	997,100	294,904	201,590	289,471	207,023
1957-58	1,012,600	207,023	239,613	259,065	187,571
1958-59	975,400	187,571	51,764	228,264	11,071
1959-60	946,300	11,071	52,070	51,488	11,653
1960-61	1,041,700	11,653	198	11,851	-

*Lint

DRY EDIBLE BEANS (1,000 CWT.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 9/1	ACQUISITIONS 9/1-8/30	SALES & DISPOSITIONS 9/1-8/30	REMAINING INV. 8/30
1	2	3	4	5	6
1955-56	16,672	2,670	1,845	2,957	1,558
1956-57	17,234	1,558	2,940	3,827	671
1957-58	15,670	671	106	711	66
1958-59	19,287	66	625	297	394
1959-60	18,939	394	189	550	33
1960-61	17,917	33	1,846	880	999

GUM TURPENTINE (1,000 GALS.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1-3/31	SALES & DISPOSITIONS 4/1-3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1955-56	7,450	2,677	0	832	1,845
1956-57	7,192	1,845	0	1,293	552
1957-58	6,454	552	0	124	428
1958-59	6,015	428	211	6	633
1959-60	5,370	633	0	633	0
1960-61	5,948	0	221	221	0

PEANUTS (1,000 LBS.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 9/1	ACQUISITIONS 9/1-8/31	SALES & DISPOSITIONS 9/1-8/31	REMAINING INV. 8/31
1	2	3	4	5	6
1955-56	1,548,326	0	214,313	187,139	27,174
1956-57	1,607,462	27,174	375,100	280,069	122,205
1957-58	1,435,549	122,205	106,588	147,172	81,621
1958-59	1,814,242	81,621	339,028	280,833	139,816
1959-60	1,587,799	139,816	225,358	263,233	101,941
1960-61	1,785,716	101,941	252,871	300,196	54,616

TOBACCO (FLUE CURED) (1,000 LBS.)

FARM SALES WEIGHT

MARKETING YEAR	U.S. PRODUCTION	LOANS OUTSTANDING AS OF 7/1	NEW LOANS 7/1-6/30	SALES & DISPOSITIONS 7/1-6/30	LOANS OUTSTANDING AS OF 6/30
1	2	3	4	5	6
1955-56	1,483,045	294,073	264,981	153,170	405,884
1956-57	1,422,538	405,884	285,363	116,907	574,340
1957-58	975,001	574,340	94,575	108,358	560,557
1958-59	1,080,719	560,557	129,133	118,700	570,990
1959-60	1,250,638	570,990	48,489	119,603	499,876
1960-61	1,253,228	499,876	45,347	90,530	454,693

MILLED RICE (1,000 CWT.)

MARKETING YEAR	U.S. PRODUCTION	CCC INVENTORY AS OF 8/1	ACQUISITIONS 8/1-7/31	SALES & DISPOSITIONS 8/1-7/31	REMAINING INV. 7/31
1	2	3	4	5	6
1955-56	28,289	9,504	8,515	7,173	10,846
1956-57	35,174	10,846	12,889	21,879	1,856
1957-58	30,523	1,856	9,872	7,877	3,851
1958-59	30,438	3,851	4,833	5,083	3,601
1959-60	34,896	3,601	1,626	3,555	1,672
1960-61	37,042	1,672	1,982	3,532	122

TOBACCO (ALL OTHER) (1,000 LBS.)

FARM SALES WEIGHT

MARKETING YEAR	U.S. PRODUCTION	LOANS OUTSTANDING AS OF 10/1	NEW LOANS 10/1-9/30	SALES & DISPOSITIONS 10/1-9/30	LOANS OUTSTANDING AS OF 9/30
1	2	3	4	5	6
1955-56	739,657	490,068	99,408	139,115	450,361
1956-57	776,863	450,361	38,775	136,619	352,517
1957-58	719,087	352,517	41,659	59,306	334,870
1958-59	743,221	334,870	18,527	72,948	280,449
1959-60	720,234	280,449	24,378	147,095	157,732
1960-61	797,306	157,732	25,389	33,971	149,150

SALES AND DISPOSITION OF CCC PRICE SUPPORT COMMODITIES BY PROGRAM

section

2

DOLLAR SALES

Sales for dollars both for domestic and export use constitute the largest single outlet for CCC commodities. Title IV has been added to Public Law 480 to permit long term credit sales for dollars.

Of total sales for dollars, export outlets presently account for about 5 percent on a cost value basis. Export sales of non-PIK CCC commodities are usually made at prices somewhat below domestic price levels to permit American exporters to compete in foreign markets.

BARTER

Under the barter program, eligible CCC commodities are traded for strategic materials for stockpiling and other materials for U. S. Government agencies.

FOREIGN CURRENCY SALES

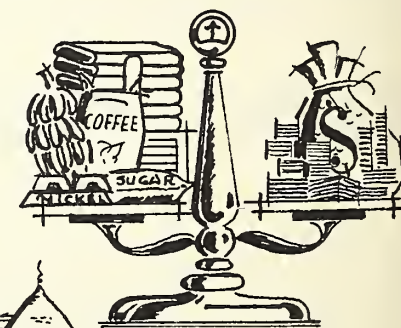
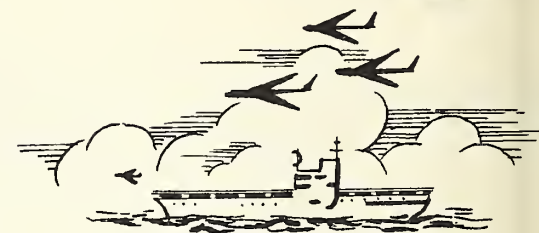
Under P. L. 480, Title I, agricultural surpluses are being sold abroad for foreign currencies. The foreign currencies are used abroad by the U. S. to develop new markets for U. S. farm products, to pay U. S. obligations abroad, to finance U. S. educational exchange activities, and as loans or grants to importing countries for economic development purposes.

TRANSFERS

Transfers of CCC stocks are made to the Agency for International Development for donation to any friendly nations for relief requirements. Transfers are also made to the Veterans Administration for use in its hospitals, to the Army, Navy and Air Force, to Federal penal and correctional institutions, and for relief in any part of the United States declared by the President to be an acute distress area.

DONATIONS

CCC commodities, primarily food commodities, have been donated to recipients in the U. S. and foreign countries.



Cost Value of CCC Price Support Inventory Sales and Dispositions

FISCAL YEAR	DOLLAR SALES *	BARTER	PAYMENT- IN-KIND	P. L. 480 TITLE I [△]	TRANSFERS [○]	DONATIONS	TOTAL SALES AND DIS- POSITIONS
1	2	3	4	5	6	7	8
----- (In Thousands of Dollars) -----							
1956	1,308,503	446,153	x	341,930	219,451	406,480	2,722,517
1957	1,944,422	630,583	104,627	623,169	451,900	453,143	4,207,844
1958	1,983,173	173,300	123,667	497,921	314,692	366,223	3,458,976
1959	1,121,417	204,374	187,774	328,384	465,985	301,732	2,609,666
1960	2,162,552	227,744	380,793	299,612	282,442	244,413	3,597,556
1961	2,262,758	251,695	453,359	378,684	430,117	280,919	4,057,532
TOTAL	10,782,825	1,933,849	1,250,220	2,469,700	2,164,587	2,052,910	20,654,091
% OF TOTAL SALES AND DISPOSITIONS	52.2	9.4	6.1	11.9	10.5	9.9	100.0

* Includes sales of rice and flaxseed to processors which CCC repurchases under contracts in a processed form.

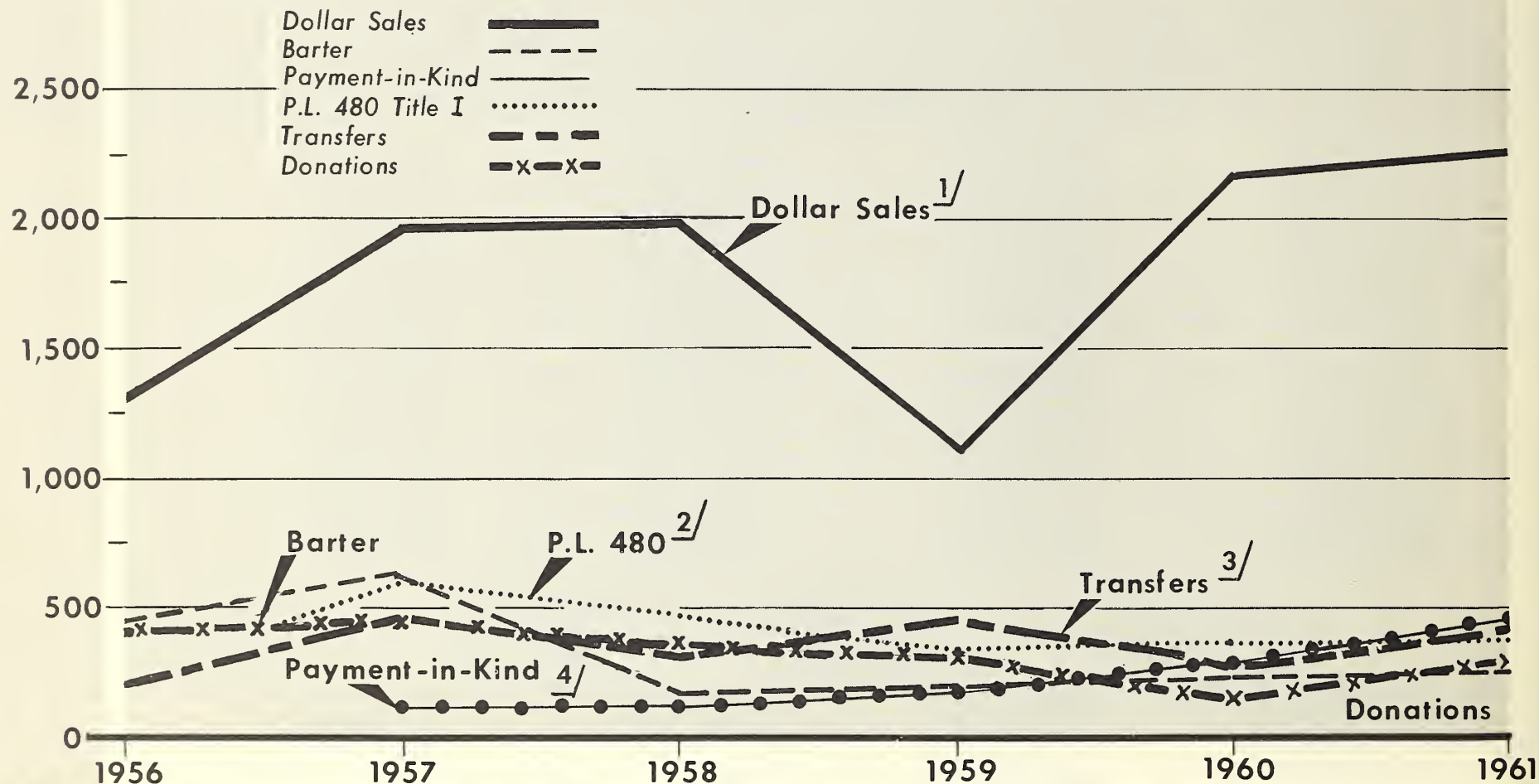
[△] Does not include P. L. 480 sales from commercial stocks.

[○] Includes P. L. 480, Title II transfers, Sec. 402, (AID formerly ICA), transfers, and Section 32 sales.

x Payment-in-Kind transaction figures not available until F.Y. 1957.

COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS BY PROGRAM

MILLION DOLLARS



1 Includes sales of rice and flaxseed to processors which CCC re-purchases under contract, in a processed form.

2 Does not include P.L. 480 sales from commercial stocks.

3 Includes P.L. 480 Title II Transfers, Sec. 402 AID formerly ICA) transfers, and Section 32 sales.

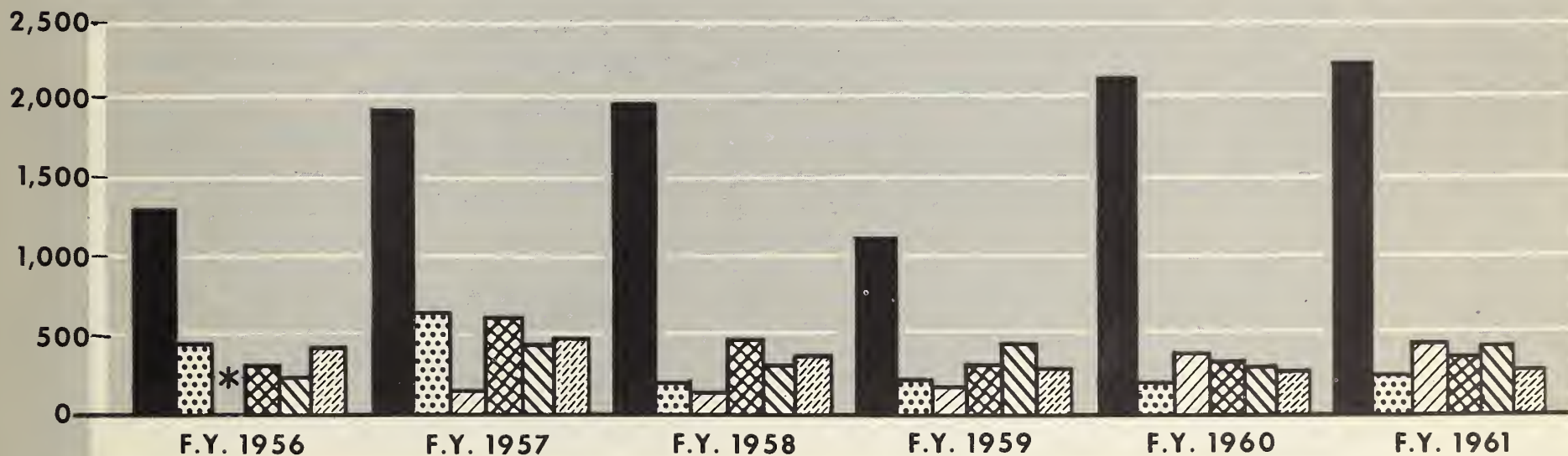
4 Payment-in-Kind transaction figures not available until F.Y. 1957.

COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

JULY 1, 1955 - JUNE 30, 1961



\$ MILLIONS



* Payment-in-Kind transaction figures not available until F.Y. 1957



DOLLAR SALES: Includes sales of rice and flaxseed to processors which CCC re-purchases, under contracts, in a processed form.



SALES FOR FOREIGN CURRENCIES: Does not include P.L. 480 sales from commercial stocks



BARTER



TRANSFERS: Includes P.L. 480 Title II transfers, Sec. 402 (AID) formerly (ICA) transfers, and Section 32 sales.



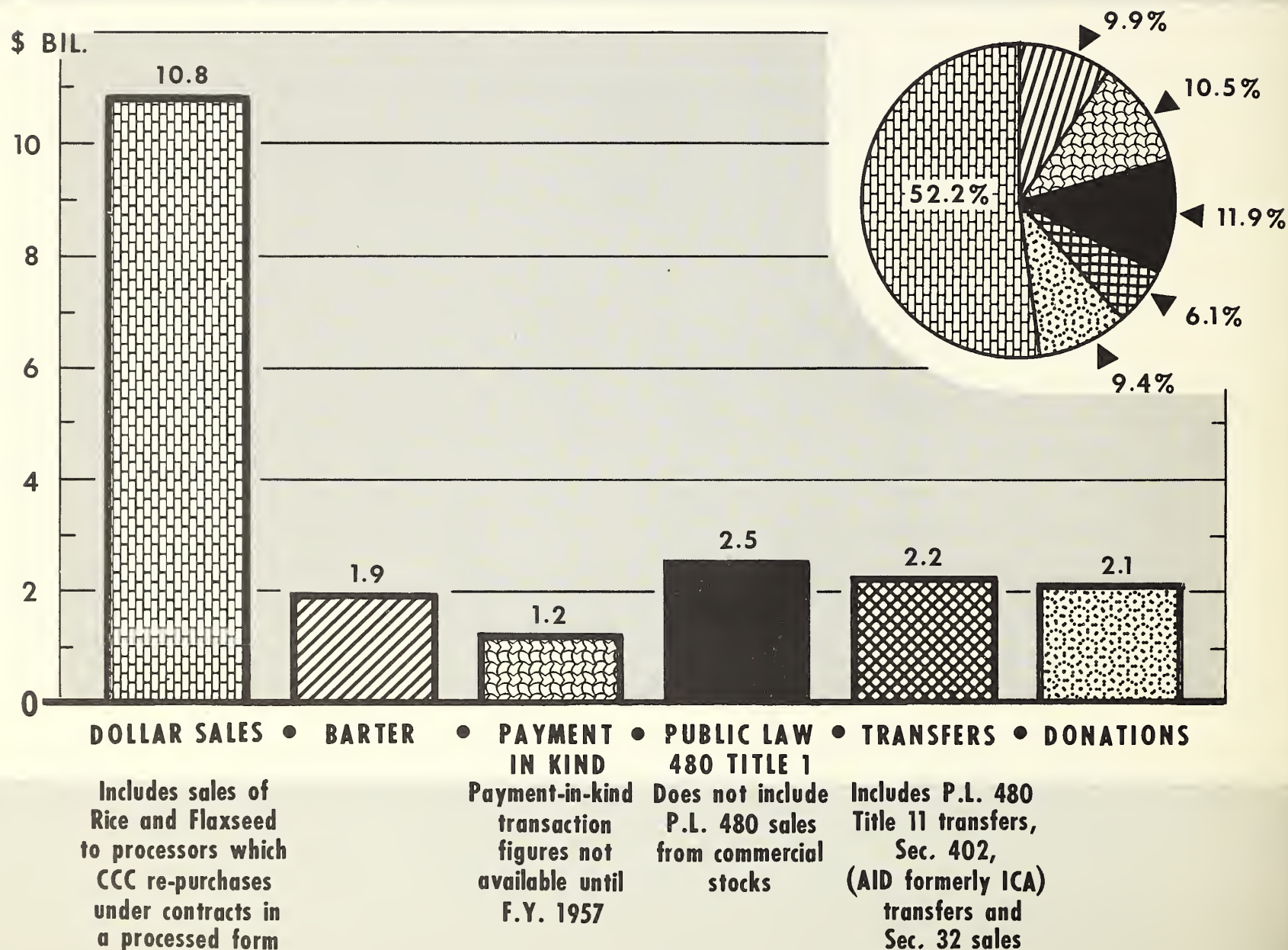
PAYMENT-IN-KIND



DONATIONS

COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

July 1, 1955 - June 30, 1961



Proceeds From CCC Price Support Inventory Sales and Dispositions

FISCAL YEAR	DOLLAR ^Δ SALES	BARTER	PAYMENT- IN-KIND	P. L. 480 TITLE 1 [○]	TRANSFERS ^x	TOTAL SALES AND DISPOSITIONS
1	2	3	4	5	6	7
----- (In Thousands of Dollars) -----						
1956	885,698	331,385	*	368,004	210,419	1,795,506
1957	1,302,271	451,127	86,434	671,295	457,023	2,968,150
1958	1,406,874	119,493	90,538	534,257	306,347	2,457,509
1959	728,699	137,180	117,279	355,379	470,223	1,808,760
1960	1,783,239	141,336	306,242	339,869	287,225	2,857,911
1961	1,789,401	155,422	340,787	433,786	442,895	3,162,291
SUB TOTAL	7,896,182	1,335,943	941,280	2,702,590	2,174,132	15,050,127
% OF TOTAL SALES AND DISPOSITIONS	52.5	8.9	6.2	18.0	14.4	100.0

^Δ Includes sales of rice and flaxseed to processors which CCC repurchases under contracts in a processed form.

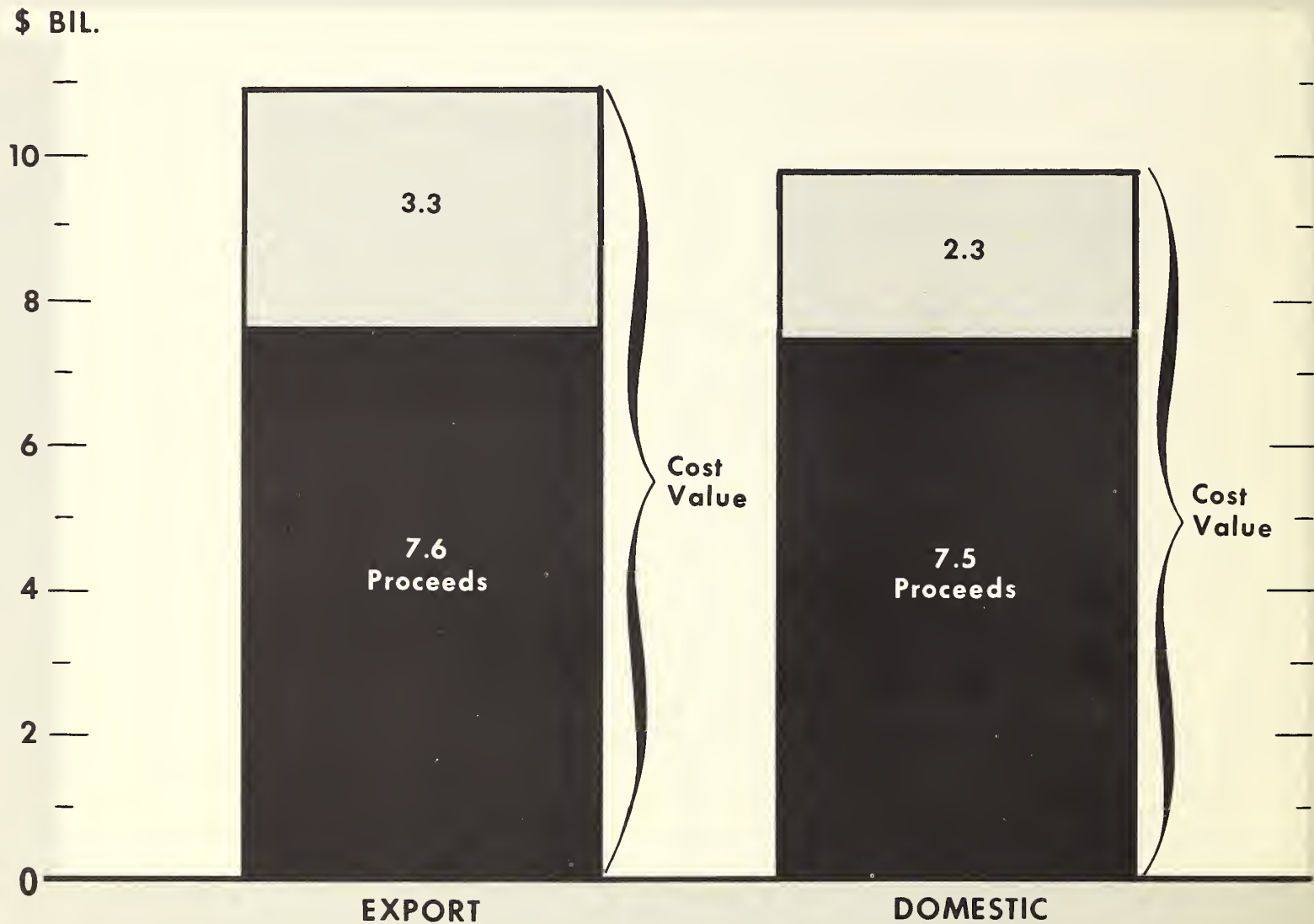
[○] Does not include P. L. 480 sales from commercial stocks.

^x Includes P. L. 480, Title II transfers, Sec. 402 (AID formerly ICA) transfers, and Section 32 sales.

* Payment-in-Kind transaction figures not available until F.Y. 1957.

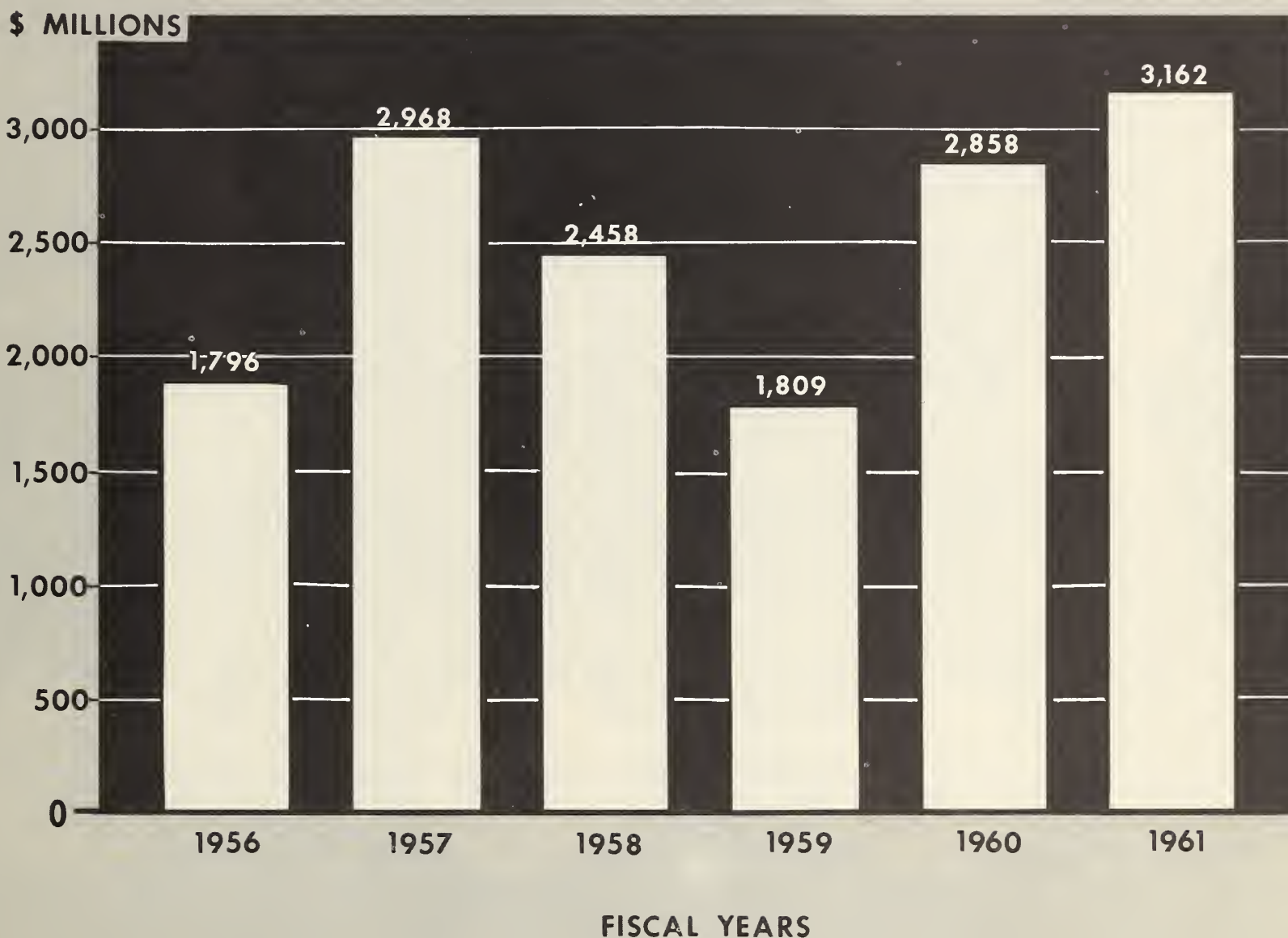
COST VALUE AND PROCEEDS RETURNED TO CCC FROM EXPORT AND DOMESTIC SALES AND DISPOSITIONS OF COMMODITIES FROM PRICE SUPPORT INVENTORIES

July 1, 1955 - June 30, 1961



**PROCEEDS FROM TOTAL SALES AND DISPOSITIONS (ALL DISPOSAL PROGRAMS)
FROM PRICE SUPPORT INVENTORIES**

Fiscal Years 1956, 1957, 1958, 1959, 1960 and 1961



CCC EXPORT CREDIT SALES PROGRAM

The chart on page 15 explains how CCC commodities may be purchased under the CCC Export Credit Sales Program.

Commodity Availabilities

Under this program commodities in CCC inventory and tobacco under loan to CCC may be purchased on deferred payment. Special restrictions apply to wheat and feed grains in accordance with the provisions of the PIK programs applicable to these commodities.

Periods of Deferred Payment

Commodities may be purchased on a deferred payment basis for periods up to 36 months.

Interest Rate

Interest is charged at the rate announced each month by CCC and runs for the length of the deferred payment period.

Bank Obligation

For all purchases made under this program there is required an assurance of payment from a bank in the U.S., usually in the form of an irrevocable letter of credit. A foreign agency bank licensed under New York law will qualify as a bank in the U.S.

Exporter's Obligation

The exporter is not obligated to buy commodities from CCC if granted a credit approval. If he is going to use the credit approval, however, he must purchase the commodities in the period specified in the credit arrangement. To the extent that the bank obligation is issued on the basis of the importer's line of credit, the exporter's line of credit will not be used.

Purchases

Purchases of commodities on credit are made in accordance with applicable CCC sales announcements to the extent that the commodities are available in CCC inventory at the time of purchase.

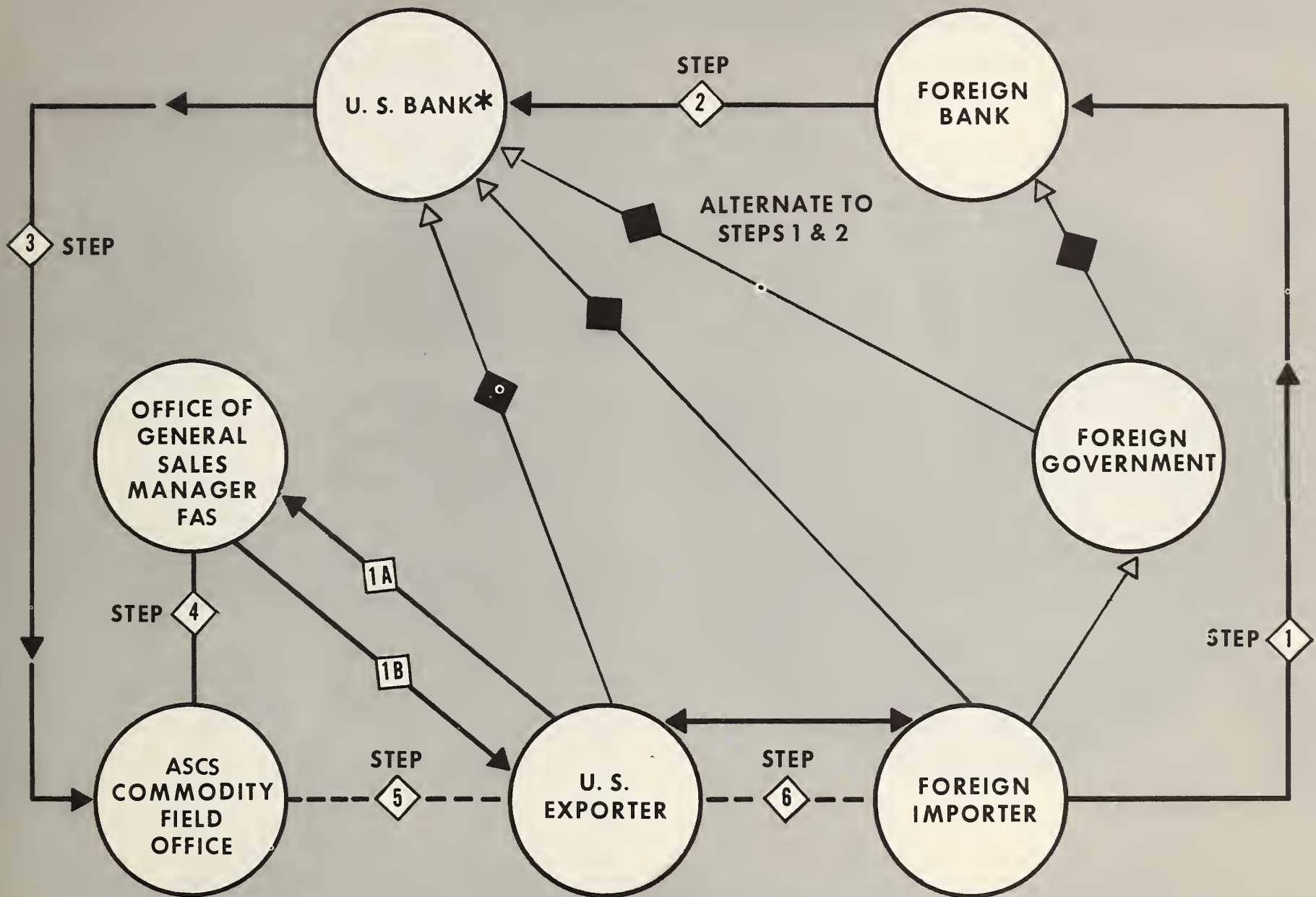
Cargo Preference Act

Provisions of P. L. 664, 83rd Congress (the Cargo Preference Act) requiring shipment on U. S. flag commercial vessels are not applicable to export sales under the CCC Export Credit Sales Program.

Applications

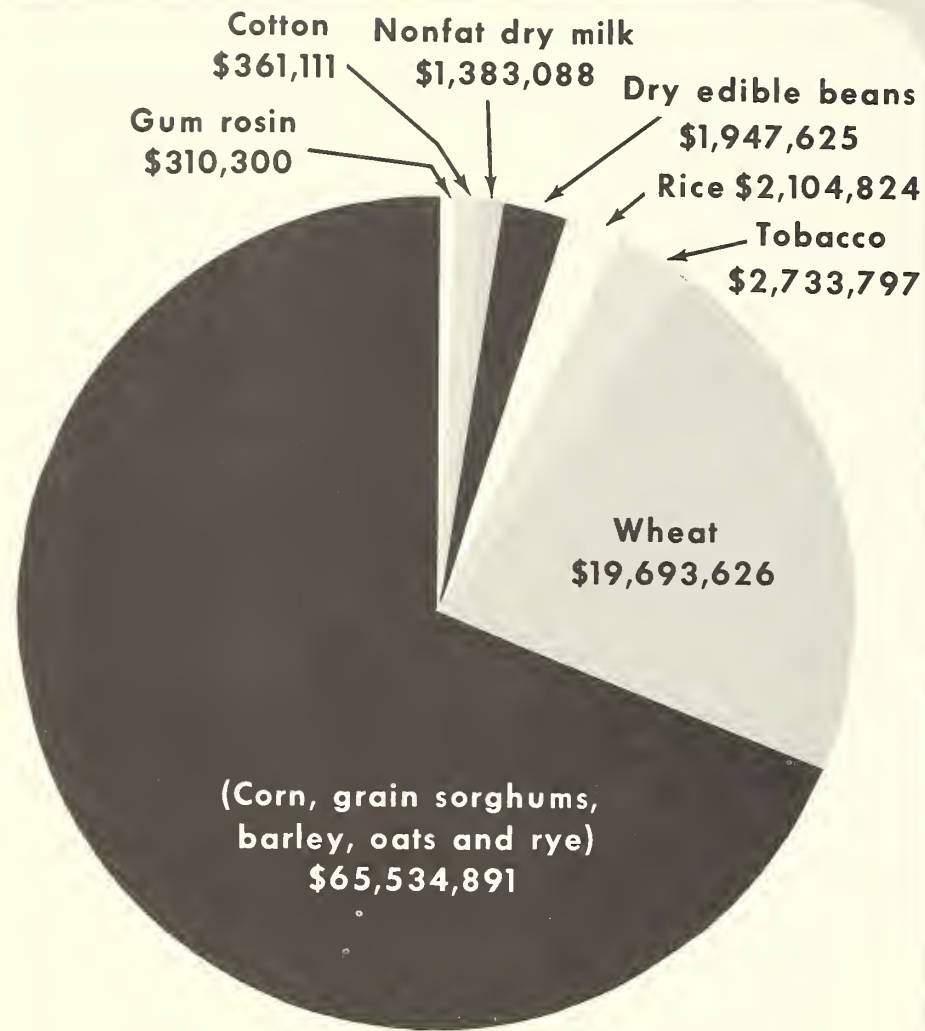
U. S. exporters apply to the office of the General Sales Manager, Foreign Agricultural Service, U.S. Department of Agriculture, Washington 25, D. C., under credit announcement GSM-1, Revised. Exporters desiring to purchase tobacco on credit apply under GSM-2.

HOW THE CCC EXPORT CREDIT SALES PROGRAM WORKS



CCC EXPORT CREDIT SALES AND MAJOR COUNTRIES OF EXPORT

FEBRUARY 1956 - MARCH 1962



MAJOR COUNTRIES OF EXPORT

- Brazil
- El Salvador
- Guatemala
- Honduras
- Israel
- Italy
- Japan
- Libya
- Mexico
- Norway
- Peru
- Spain
- Venezuela



Title IV of Public Law 480 provides for long-term supply (up to 10 years) and dollar credit (up to 20 years) sales of U. S. surplus agricultural commodities. Major objectives of this title are (1) to use these commodities and the financial resources made available through their sale on a deferred payment basis to assist in the economic development of friendly countries, and (2) to expand or maintain U. S. dollar exports of such commodities to these countries.

Sales are made through private U. S. exporters pursuant to government-to-government agreements. Provision is made for consultation with and participation by friendly countries who also export agricultural commodities. Interest is charged at a rate not to exceed the cost of funds to the U. S. Treasury. The agreed-upon rate is applicable to all deliveries made under an agreement. Interest on the cost of commodities delivered in any calendar year accrues from the date of the last delivery of commodities in such calendar year.

Fifty percent of the volume of each commodity procured under Title IV must be shipped in U.S. flag vessels. The U.S. Government finances this, and includes the cost in the dollar amounts due from the recipient country, except any additional costs for shipping in U. S. vessels as compared with foreign vessels; this difference, the U. S. Government absorbs.

Subsequent to signing an agreement, the U. S. Department of Agriculture will, upon application by the government of the importing country, issue authorizations for the purchase and financing of commodities included in the agreement. Importers authorized by the government of the importing country procure commodities directly from private U. S. suppliers. The latter receive payment in dollars from the U. S. Department of Agriculture. The manner in which an importer pays his government for commodities is by arrangement between the importer and his government.

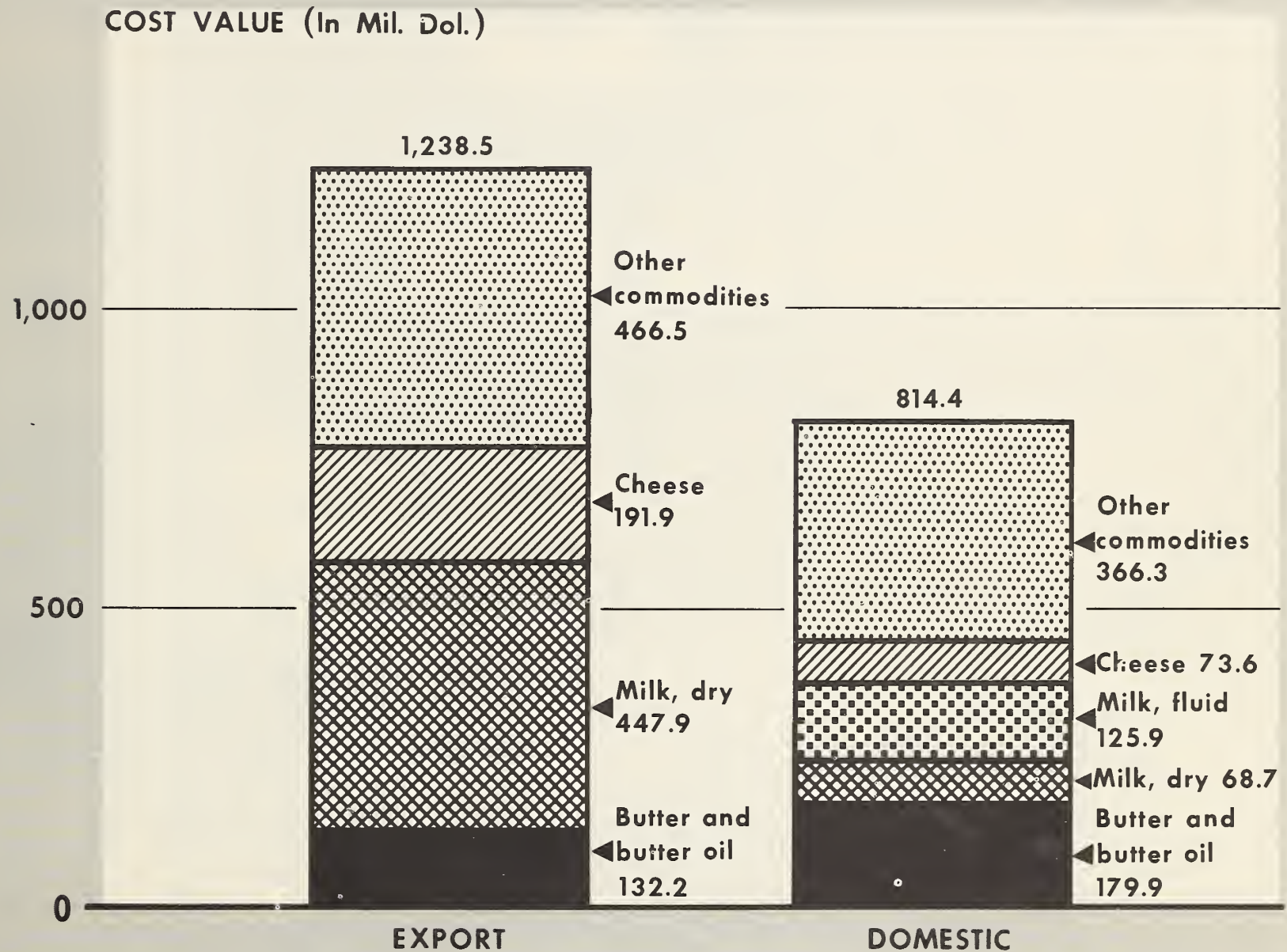
TITLE IV, P. L. 480 AGREEMENTS SIGNED

(As of May 1962)

COUNTRY	COMMODITY	MARKET VALUE (INCLUDING OT)	SUPPLY PERIOD	CREDIT PERIOD
		<i>Million Dollars</i>	<i>Years</i>	<i>Years</i>
El Salvador	Wheat and wheat flour	2.8	1	5
Venezuela	Grain and grain products, dairy products, vegetable oils, fruits and vegetables, poultry and livestock products	25.0	5	10
Portugal	Wheat, wheat flour and barley	13.2	2	10
Peru	Vegetable oils	2.0	1	15
Liberia	Milled rice, wheat flour, bulgur wheat, livestock feeds	8.6	2	15
		51.6		


EXPORT AND DOMESTIC DONATIONS FROM CCC PRICE SUPPORT INVENTORIES SHOWING AMOUNTS OF DAIRY PRODUCTS DONATED

July 1, 1955 - June 30, 1961

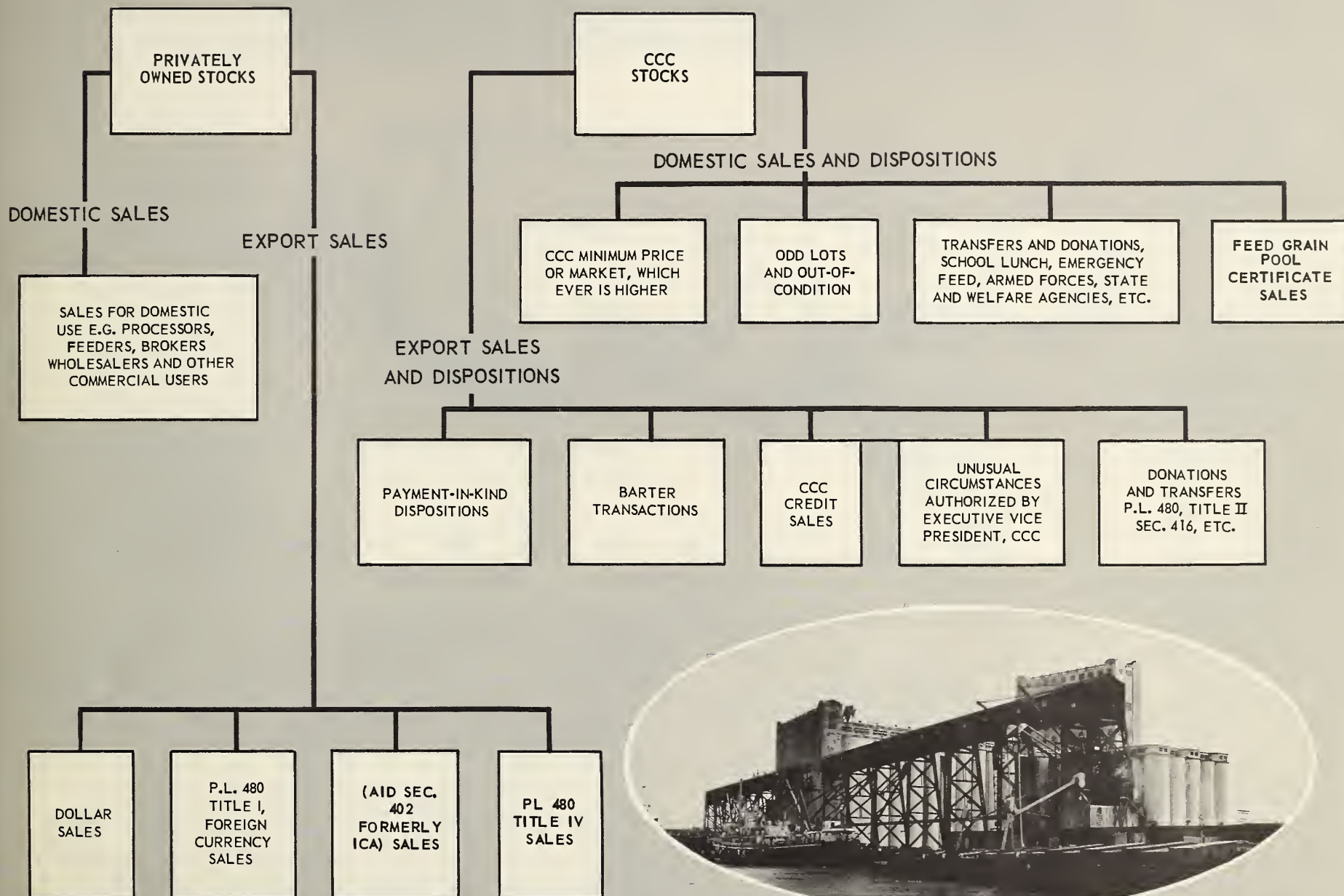


PAYMENT-IN-KIND PROGRAM DEVELOPMENT

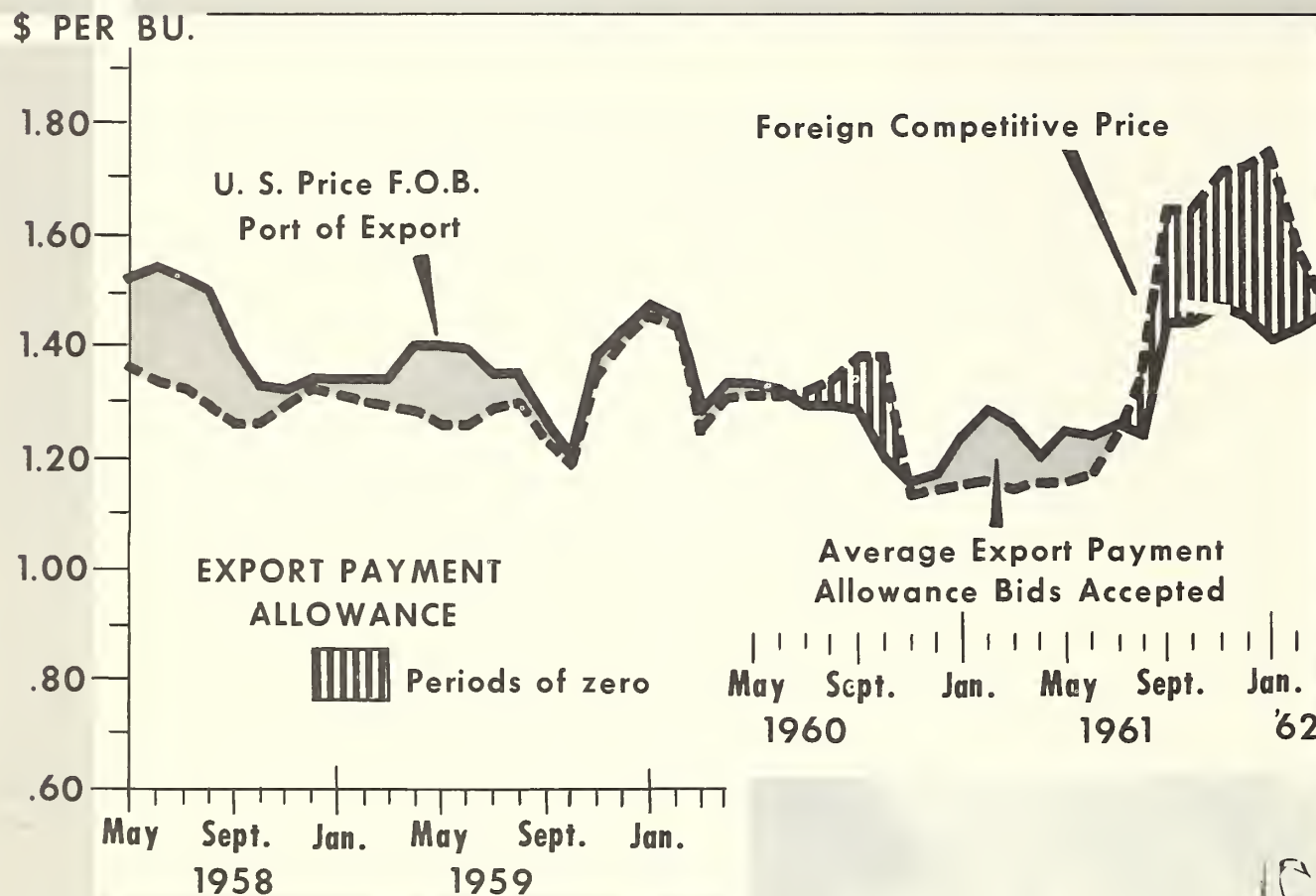
Payment-in-kind programs are designed to encourage exports from commercial supplies instead of from CCC inventories. This places the merchandising functions in the hands of the private trade.

FORM CCC-358 (8-11-59)		U.S. DEPARTMENT OF AGRICULTURE AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE COMMODITY CREDIT CORPORATION		No 19952	
WHEAT EXPORT PAYMENT CERTIFICATE WHEAT EXPORT PROGRAM—PAYMENT-IN-KIND				ISSUING OFFICE (CITY AND STATE) ASCS Commodity Office	
NAME AND ADDRESS OF PAYEE					
THE FACE VALUE OF THIS CERTIFICATE IS:					
VOID					
ISSUED ON THE BASIS OF					
REGISTRATION NO.		DATE OF EXPORT	BUSHEL(S) EXPORTED	IWA <input type="checkbox"/>	PL 480 <input type="checkbox"/>
DOLLARS (\$)					
<p>This Certificate will be accepted at face value if applied to the purchase of wheat on a contract with CCC which specifies a "date of sale" not more than 60 days after the date of export shown above, the value at which this Certificate will be accepted reduced by one-fiftieth of 1 percent for each day beginning on the 61st day after such date of export and sale specified in the CCC contract to which it is applied. This Certificate is subject to the terms and conditions issued by the Commodity Credit Corporation governing the Wheat Export Program—Payment-In-Kind.</p> <p>This Certificate may be presented to CCC either by the person or firm named above or by another person or firm to whom the Certificate has been transferred by endorsement on the reverse side hereof, giving the address of the endorser and the date of endorsement.</p>					
					
VOID					
AUTHORIZED REPRESENTATIVE, CCC)					
(Over)					

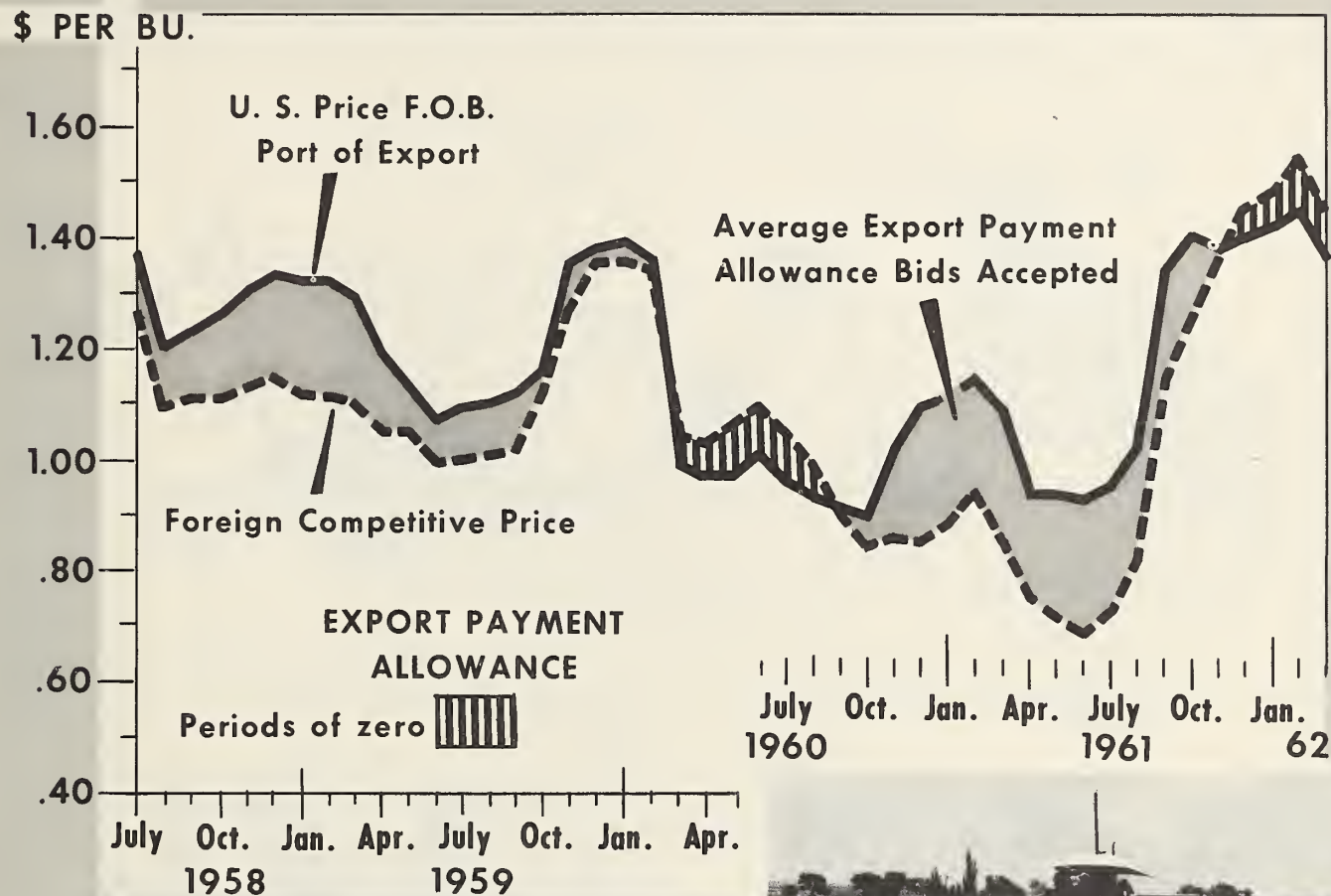
GRAIN PAYMENT - IN - KIND FLOW CHART



CORN : MONTHLY AVERAGE PRICES F.O.B. U. S. PORT OF EXPORT, FOREIGN COMPETITIVE PRICES, AND VALUE OF BIDS ACCEPTED MAY 1958 - MARCH 1962

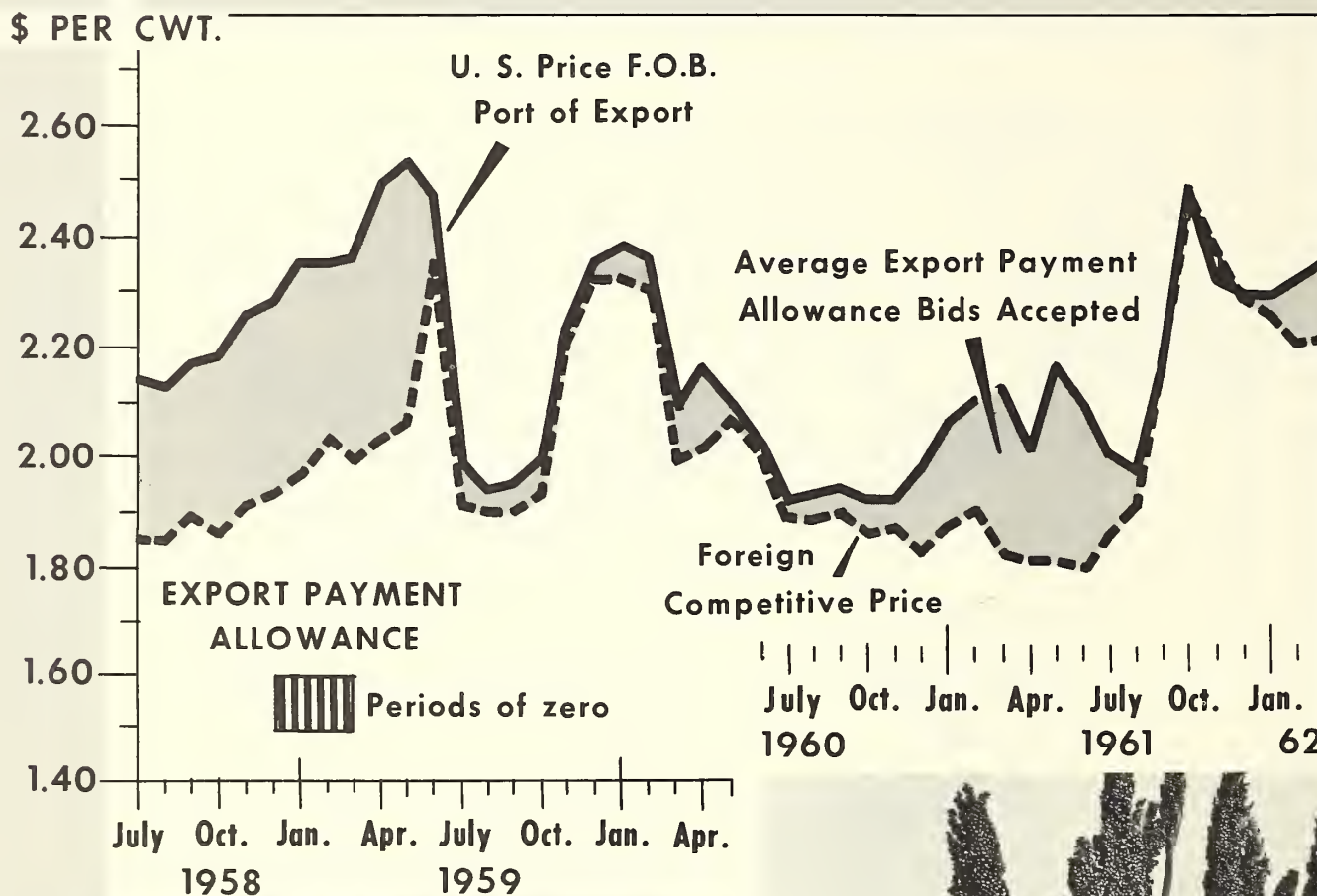


**MONTHLY AVERAGE PRICES F.O.B. U.S. PORT OF EXPORT,
BARLEY : FOREIGN COMPETITIVE PRICES, AND VALUE OF BIDS ACCEPTED
JULY 1958 - MARCH 1962**

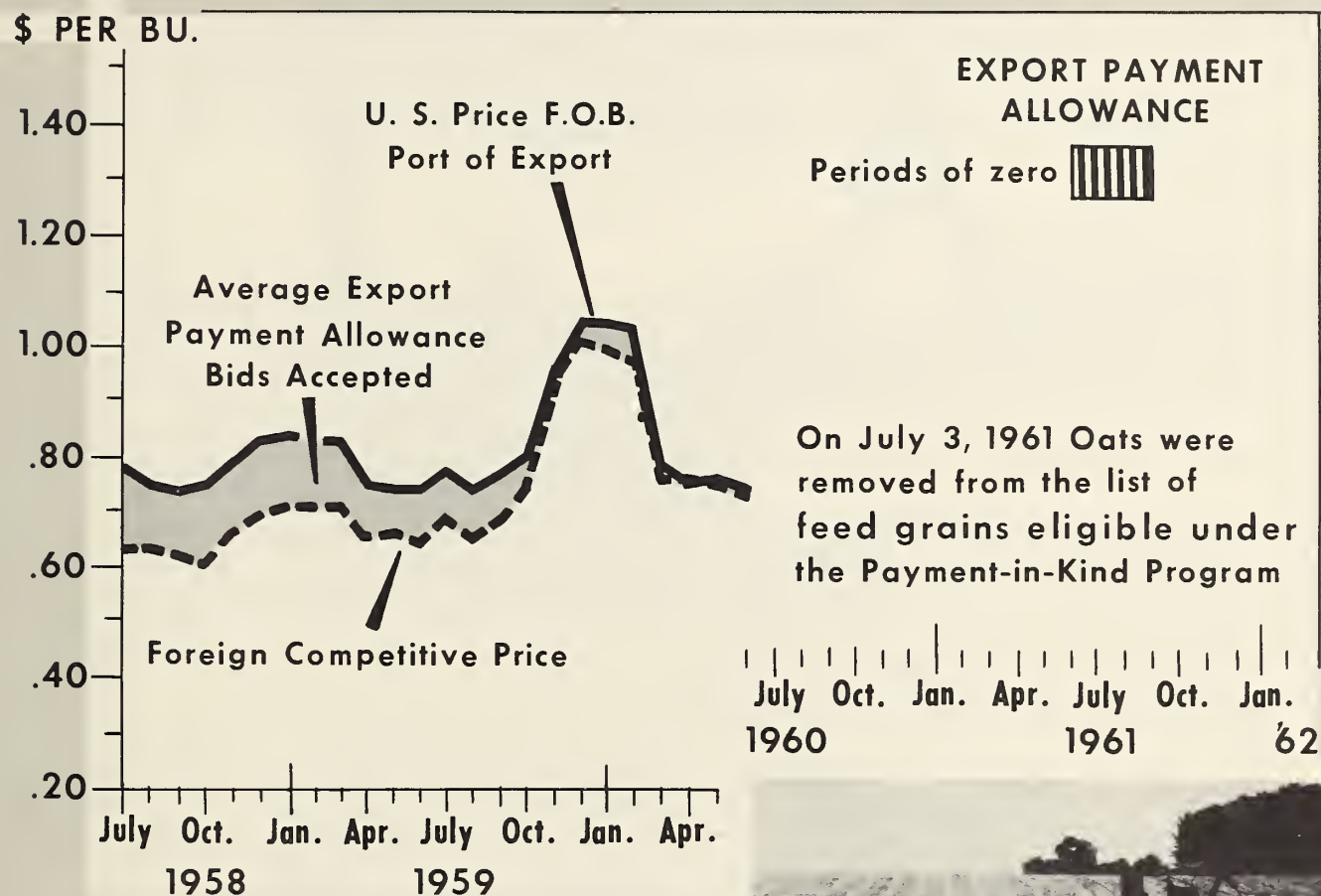


GRAIN SORGHUM :

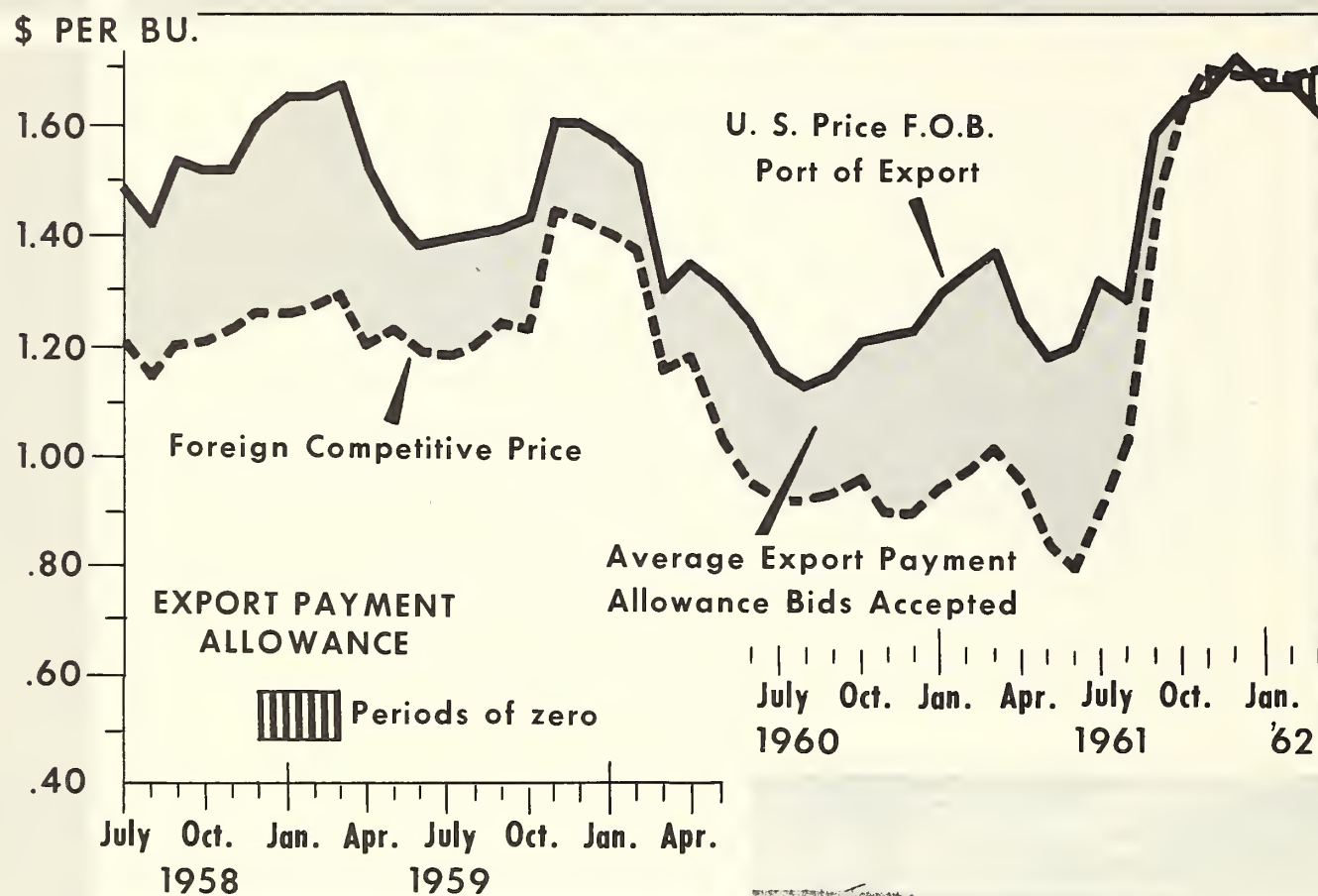
MONTHLY AVERAGE PRICES F.O.B. U.S. PORT OF EXPORT,
FOREIGN COMPETITIVE PRICES, AND VALUE OF BIDS ACCEPTED
JULY 1958 - MARCH 1962



MONTHLY AVERAGE PRICES F.O.B. U.S. PORT OF EXPORT, OATS : FOREIGN COMPETITIVE PRICES, AND VALUE OF BIDS ACCEPTED JULY 1958 - MARCH 1962

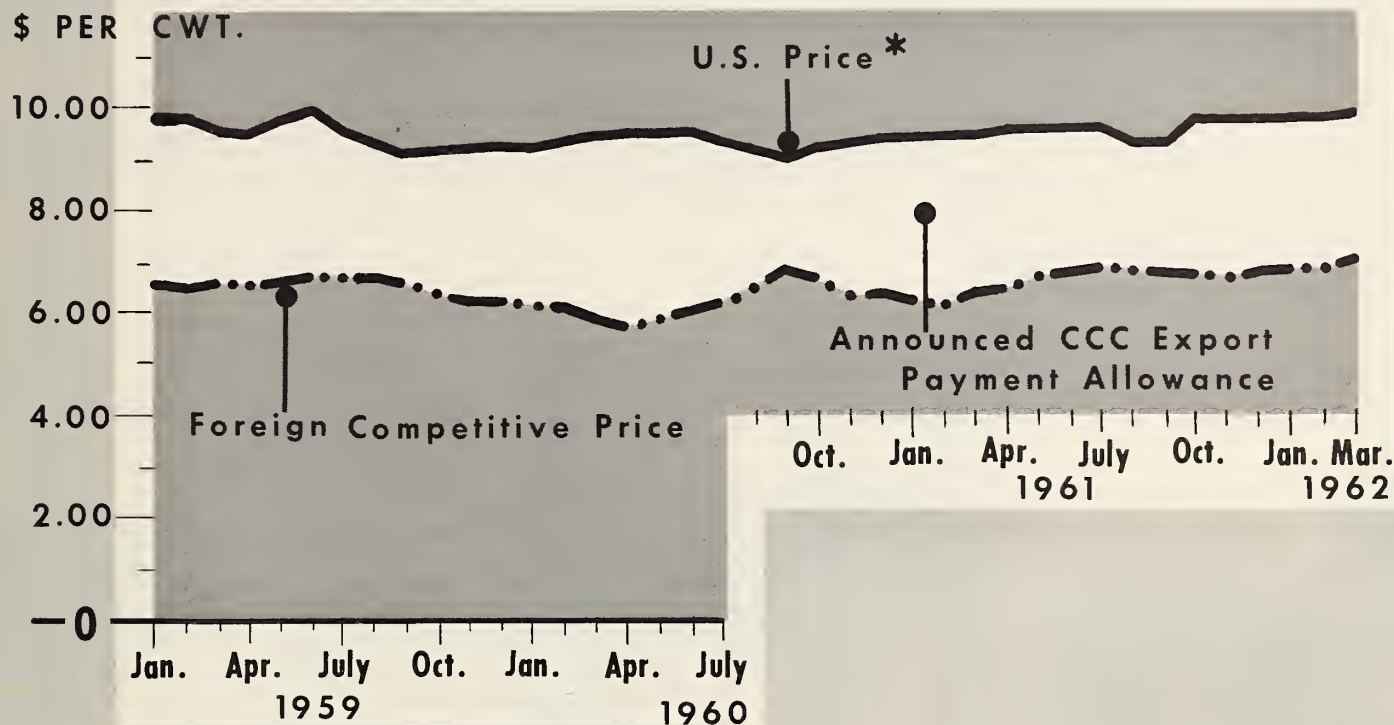


**MONTHLY AVERAGE PRICES F.O.B. U. S. PORT OF EXPORT,
RYE : FOREIGN COMPETITIVE PRICES, AND VALUE OF BIDS ACCEPTED
 JULY 1958 - MARCH 1962**



MILLED RICE :

MONTHLY AVERAGE PRICES F.O.B. U.S. PORT OF EXPORT, (U.S. #2
BLUEBONNET) FOREIGN COMPETITIVE PRICES AND VALUE OF RICE
SUBSIDY ALLOWED JANUARY 1959 - MARCH 1962



* Basis F.A.S. U.S. Port of Export.

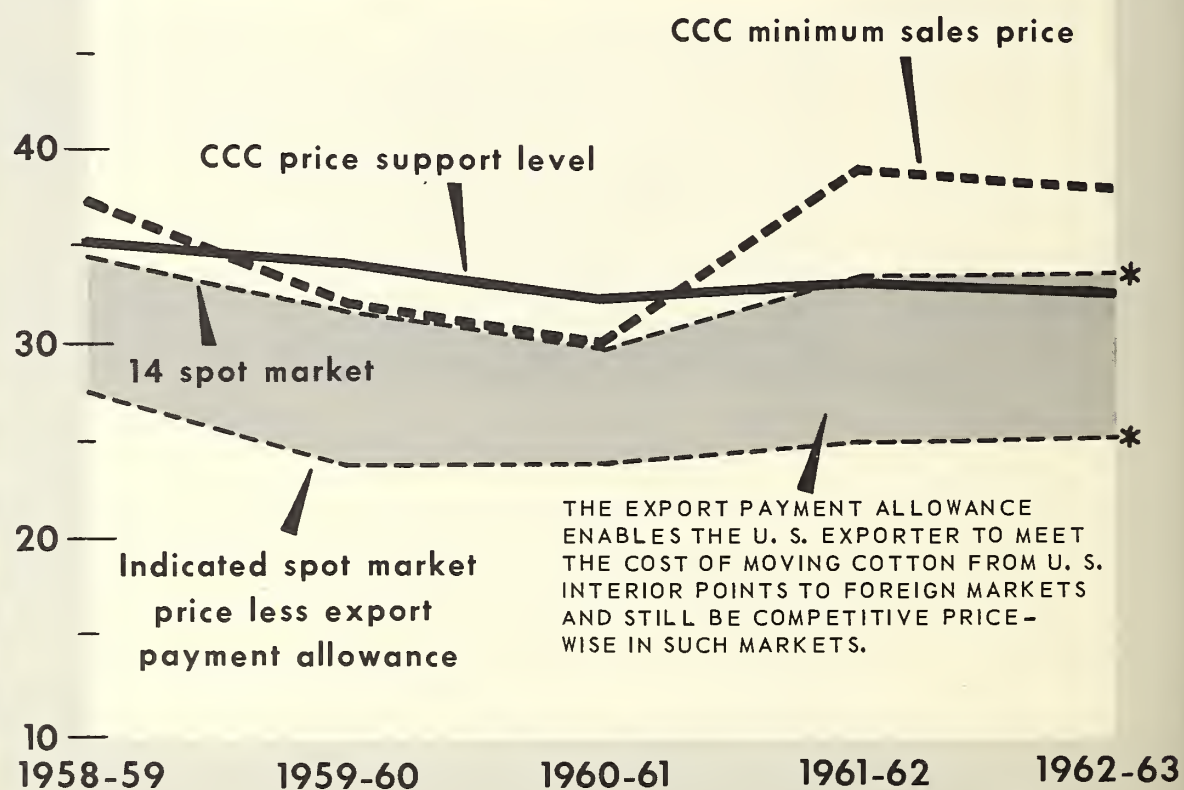


UPLAND COTTON

CCC MINIMUM SUPPORT PRICES, MINIMUM SALES PRICES FOR UNRESTRICTED USE, 14-SPOT MARKET PRICES, AND 14-SPOT MARKET PRICES LESS APPLICABLE EXPORT PAYMENT ALLOWANCE. ALL PRICES FOR MIDDLING INCH AT AVERAGE LOCATION IN JANUARY OF MARKETING YEAR



CENTS PER POUND



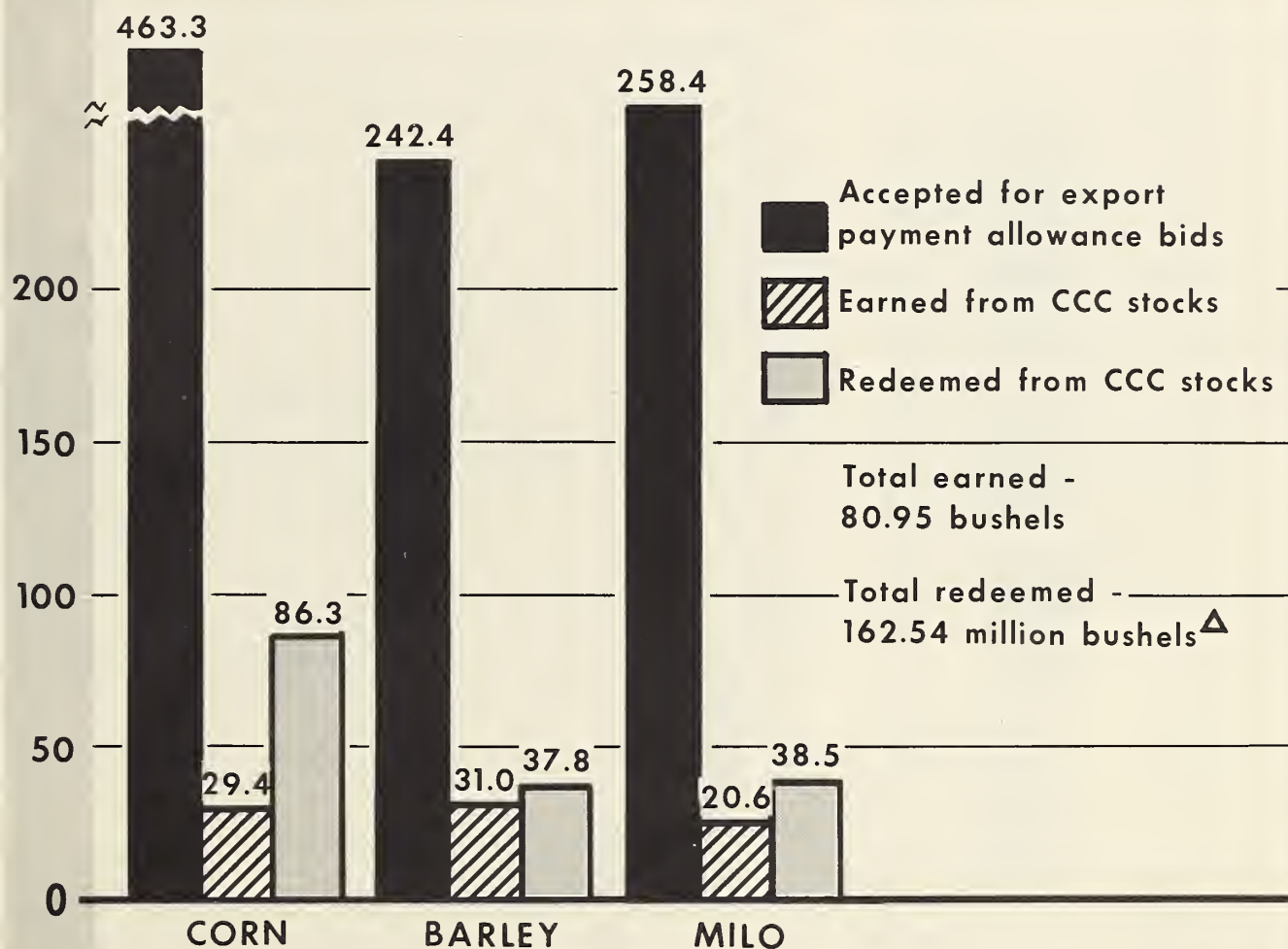
THE EXPORT PAYMENT ALLOWANCE ENABLES THE U. S. EXPORTER TO MEET THE COST OF MOVING COTTON FROM U. S. INTERIOR POINTS TO FOREIGN MARKETS AND STILL BE COMPETITIVE PRICE-WISE IN SUCH MARKETS.

* Estimated

FEED GRAINS :

QUANTITIES ACCEPTED FOR EXPORT PAYMENT ALLOWANCE BIDS, EXPORT
PAYMENTS EARNED IN THE FORM OF PAYMENT-IN-KIND (PIK) CERTIFICATES
AND PIK CERTIFICATES REDEEMED FROM CCC STOCKS
JULY 1, 1958* - MARCH 31, 1962

MILLION BUSHELS



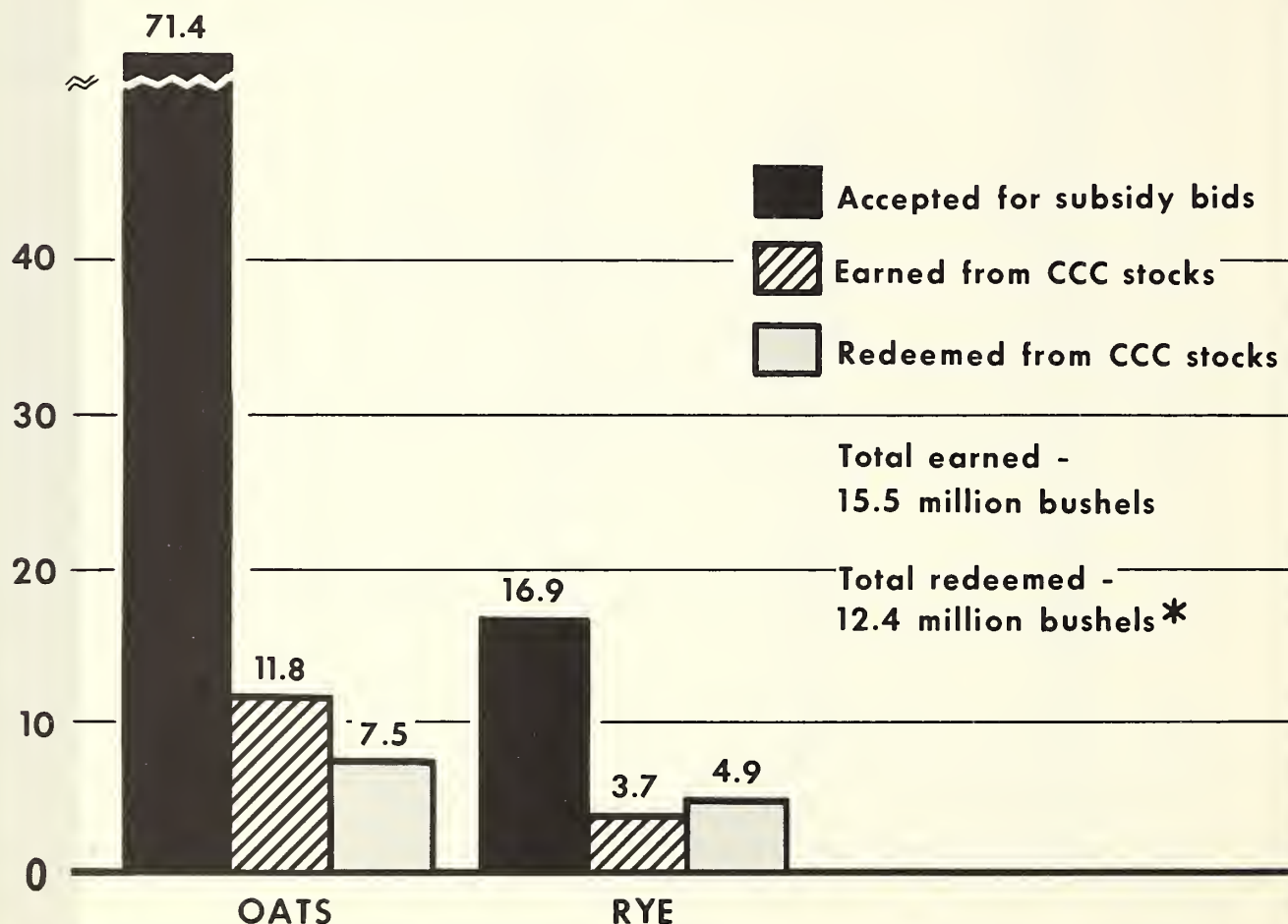
*Corn from May 12, 1958

^Δ Includes redemption of rice and "pre buy" sales for which certificates are to be issued.

FEED GRAINS :

QUANTITIES ACCEPTED FOR EXPORT PAYMENT ALLOWANCE BIDS, EXPORT
PAYMENTS EARNED IN THE FORM OF PAYMENT-IN-KIND (PIK) CERTIFICATES
AND PIK CERTIFICATES REDEEMED FROM CCC STOCKS
JULY 1, 1958 - MARCH 31, 1962

MILLION BUSHELS



*Includes redemption of rice and "pre buy" sales for which certificates are to be issued

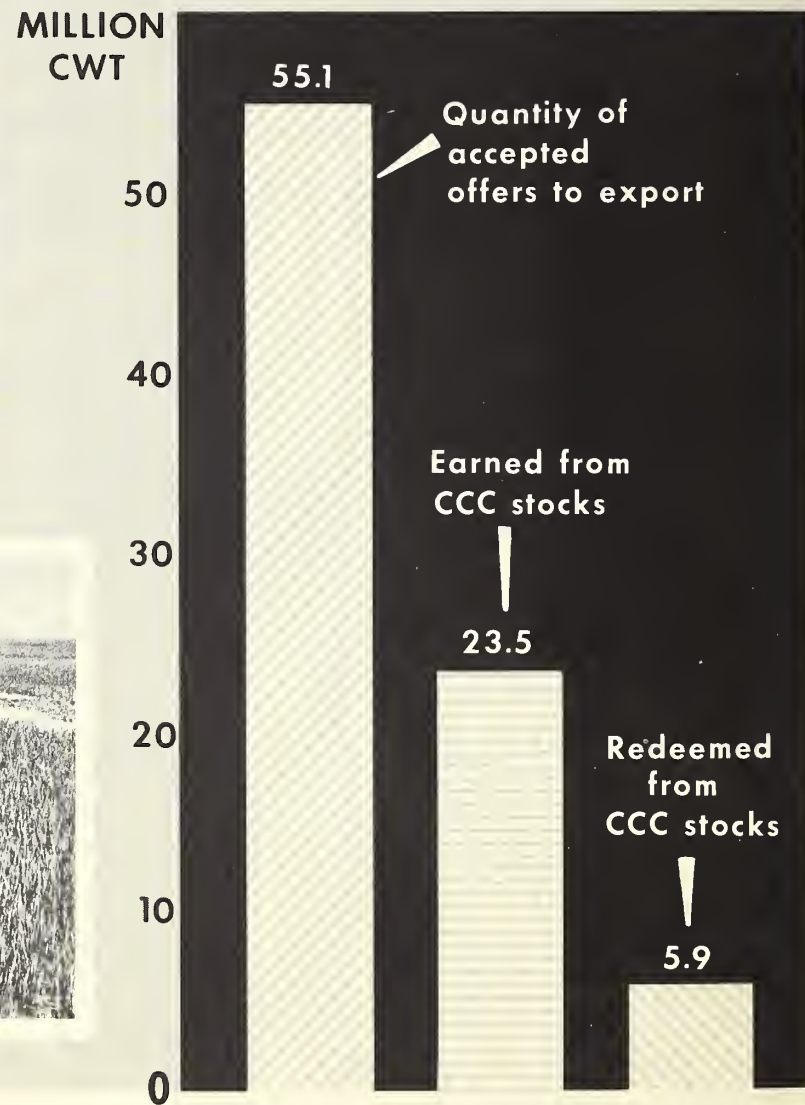
WHEAT :

**QUANTITY OF ACCEPTED OFFERS TO EXPORT, EXPORT PAYMENT ALLOWANCES EARNED
IN THE FORM OF PAYMENT-IN-KIND (PIK) CERTIFICATES AND PIK CERTIFICATES
REDEEMED FOR WHEAT FROM CCC STOCKS Sept. 4, 1956 - March 31, 1962**



** Includes "pre buy" sales for which certificates are to be issued.*

RICE* : QUANTITY OF ACCEPTED OFFERS TO EXPORT, EXPORT PAYMENT ALLOWANCES EARNED
IN THE FORM OF PAYMENT-IN-KIND (PIK) CERTIFICATES AND PIK CERTIFICATES
REDEEMED FOR RICE FROM CCC STOCKS DECEMBER 5, 1958 - MARCH 31, 1962



* Milled rice equivalent

Certificates submitted for rice redemption are actually redeemed in rough rice

CCC COTTON PAYMENT-IN-KIND PROGRAM*

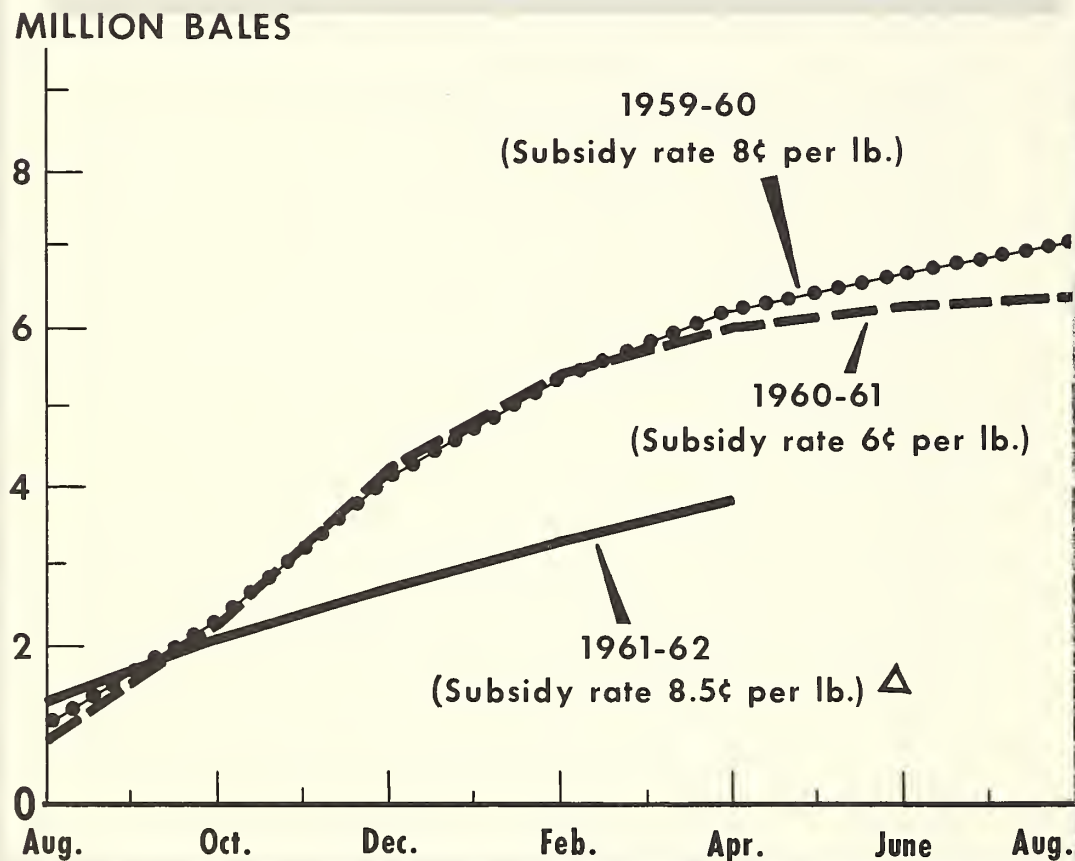
(Upland Cotton Only)

The purpose of the cotton payment-in-kind program is to keep U.S. cotton competitively priced in world markets. This program differs from the PIK program for grains as exports of cotton may include cotton which had previously been purchased for unrestricted use from CCC or redeemed through farmers from the CCC loan programs, either for cash or by using CCC certificates earned by export of cotton at a predetermined export payment rate.

Exporters of cotton produced in the U. S. may apply for export payments in the form of transferable certificates which may be used in purchasing cotton from CCC for unrestricted use (domestic or export). These certificates are not accepted for payment under certain special sales of cotton. Exporters must register export sales with CCC on the dates of such sales and, upon exporting cotton under such sales, will be eligible to receive export payments at the payment rates in effect on the dates of the sales. Exporters may also register consignments and receive export payments on the cotton exported under such consignments at the payment rates in effect on the dates of registration. The export payment rate for the marketing year 1961-62 and for the marketing year beginning August 1, 1962, is 8.5¢ per pound, but is subject to change without prior notice. Upon submission of evidence of exportation and an application for payment, CCC issues a transferable certificate having a face value equal to the gross weight of the cotton exported times the applicable payment rate.

* Cotton may be purchased under the CCC Credit Program in accordance with GSM-1, Revised. If an exporter desires to make a credit purchase of cotton under this announcement, he first obtains the credit approval from the Office of the General Sales Manager. After obtaining such approval, the exporter submits a bid under the CCC Credit Sales Program Announcement NO-C-17 conducted by the New Orleans Commodity Office and settlement with regard to purchase is made under the cotton sales announcement CN-EX-14. CCC cotton is expected to be made available for export through barter contracts with CCC. Such contracts are negotiated through the Barter and Stockpiling Division, Foreign Agricultural Service. Information concerning the pricing policy of CCC cotton for this purpose is available from the New Orleans ASCS Commodity Office.

UPLAND COTTON : CUMULATIVE REGISTRATIONS FOR EXPORT UNDER PAYMENT-IN-KIND PROGRAMS BY MARKETING YEAR 1959-60 THROUGH 1961-62 *



* Program requires that cotton registered must be exported within the respective marketing year date limits
 Δ Subject to change without prior notice

section 4

COMPETITIVE BID PROGRAMS FOR EXPORT

Although the major commodities in CCC inventory are covered by payment-in-kind programs, CCC still sells for export a number of commodities on competitive bid. During 1961, these commodities included peanuts, tung oil, and turpentine.

Of the above commodities, during the past year CCC sold or disposed of all of its stocks of tung oil, soybeans, flaxseed and dry edible beans.

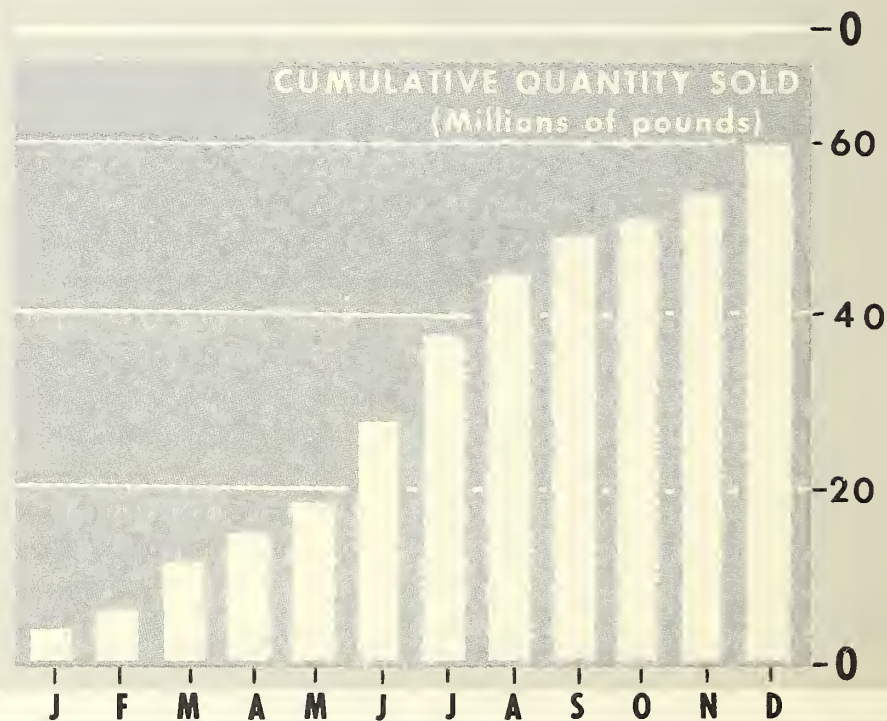
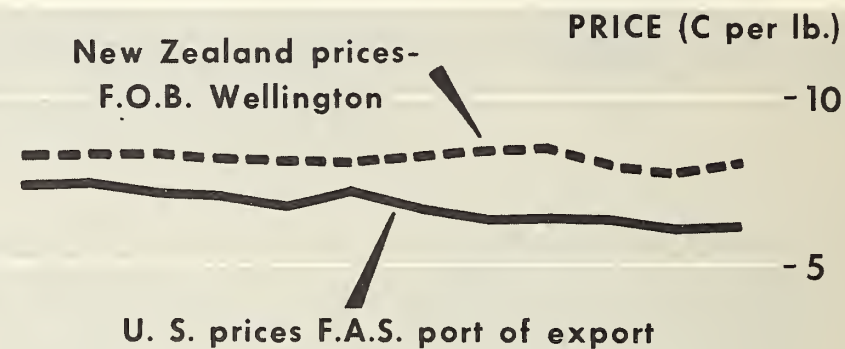
Although CCC is presently out of the afore-mentioned commodities, additional stocks will be acquired under current price support programs.

There are included in this section three charts illustrating sales of dairy products for export under competitive bids.



NON-FAT DRY MILK :

CCC EXPORT SALES PRICES F.A.S. U.S. PORT OF EXPORT, EXPORT SALES PRICES FOR NEW ZEALAND NON-FAT DRY MILK F.O.B. WELLINGTON AND CUMULATIVE QUANTITY SOLD BY CCC CALENDAR YEAR 1961



BUTTER :

CCC EXPORT SALES PRICES, F. A. S. U. S. PORT OF EXPORT, PRICES
NEW ZEALAND AND AUSTRALIAN BUTTER, EX WHARF LONDON, AND
CUMULATIVE QUANTITY SOLD BY CCC CALENDAR YEAR 1961



CCC EXPORT SALES PRICES, F.A.S. U.S. PORT OF EXPORT, PRICES NEW ZEALAND CHEESE : CHEESE EX-WHARF LONDON, AND CUMULATIVE QUANTITY SOLD BY CCC CALENDAR YEAR 1961



PRICE
(¢ Per Pound)

New Zealand price ex-wharf, London

U.S. prices F.A.S. port of export

30

20

CUMULATIVE QUANTITY SOLD
(Thousands of pounds)

400

200

0

Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.



Growth Through Agricultural Progress